HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON EMPLOYMENT, EDUCATION AND TRAINING

Reference: Role of institutes of TAFE

MELBOURNE

Wednesday, 25 February 1998

OFFICIAL HANSARD REPORT

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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON EMPLOYMENT, EDUCATION AND TRAINING

Members:

Dr Nelson (Chair)

Mr Barresi	Mrs Gash
Mr Bartlett	Mr Latham
Mr Brough	Mr Marek
Mr Charles	Mr Mossfield
Mr Dargavel	Mr Neville
Mrs Elson	Mr Pyne
Mr Martin Ferguson	Mr Sawford

The Committee is to inquire into and report on:

the appropriate roles of institutues of technical and further education; and

the extent to which those roles should overlap with universities.

WITNESSES

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Role of institutes of TAFE

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Present

Dr Nelson (Chair)

Mr Barresi	Mr Pyne
Mr Marek	Mr Sawford

Committee met at 9.28 a.m.

Dr Nelson took the chair.

CHAIR—I declare open this public hearing for the inquiry into the roles of institutes of TAFE and the extent to which those roles should overlap with universities. The committee has received over 90 submissions and last week, in Perth and Adelaide, embarked on a series of public hearings intended to give business and the wider community, TAFE itself and the university sector, an opportunity to participate directly in the inquiry.

The purpose of the inquiry is to clearly identify the appropriate roles for institutes of TAFE and the extent to which they should overlap with universities. The committee aims to produce recommendations for government action that will enhance TAFE's capacity to meet community expectations in relation to those roles.

Matters raised in submissions and at public hearings last week in Perth and Adelaide include: the importance of TAFE's community service and vocational education and training roles; the importance of TAFE's links with industry; the effect of competition on TAFE's traditional activities; the appropriateness of TAFE's current administrative and financial structure; and the funding anomalies between TAFE and higher education which affect both students and institutions.

This is not meant to be an exhaustive list of the issues to be considered, nor an indication of where the committee's final recommendations might lie.

The committee welcomes additional input from all parties. A vital means for the committee to gather information is through public hearings. Today the committee will hear evidence from the TAFE and higher education sectors and the National Tertiary Education Industry Union.

MURPHY, Mr Ted, National Assistant Secretary, National Tertiary Education Union, PO Box 1323, South Melbourne, Victoria 3205

CHAIR—I represent the Liberal Party held metropolitan Sydney seat of Bradfield. On my far right is Mr Christopher Pyne who represents the metropolitan Adelaide seat of Sturt for the Liberal Party; and Mr Paul Marek, Central Queensland, who represents the National Party held seat of Capricornia. Perhaps you could give us a five- to 10-minute overview of your submission, which we have read, and then we will ask questions and engage in dialogue.

Mr Murphy—Certainly. The purpose of the submission is to really deal with the question not only of whether TAFE and higher education should overlap, but also where it does overlap or where in fact TAFE is already encompassed by existing universities, and the issues that arise in connection with that.

The recommendations that the union has made, from our standpoint, are designed to achieve a number of things. First of all they are designed to ensure, with respect to degree level of qualification, that degree granting institutions are regulated in such a fashion that the degrees that are offered are of high quality and of comparable quality on a national basis. In particular, our objective is to avoid a return to what we call the binary divide which existed prior to the amalgamation between colleges of advanced education and universities. We did have a binary system of higher education provision in this country until about 10 years ago where we had two degree granting sets of institutions. We had the university sector and we had the colleges of advanced education sector.

It is only in the last 10 years, by decision of government supported by all the parties, that the colleges of advanced education were amalgamated with existing universities or, in some cases, such as the Royal Melbourne Institute of Technology, given university status in their own right. The purpose of that amalgamation was not only to avoid duplication of function and to ensure that you had multi-campus universities able to cope with the realities of modern post-secondary education, but also to prevent the continuation of a situation where, in the eyes of the labour market or certainly employers within the labour market, there were two classes of degrees: degrees from universities and degrees from colleges of advanced education.

Our concern is to ensure that what arrangements are entered into between the university sector and the TAFE sector are done in such a fashion that we do not recreate what we call the binary divide. We currently have arrangements where TAFE institutions under contract to existing universities provide, in some cases, the first year, in other cases the first two years of a degree. This arrangement is usually entered into on the grounds of regional access. For example, La Trobe University, through its Bendigo campus, has degree offerings in Sunraysia using the facilities of Sunraysia Institute of TAFE. RMIT qualifications have been taught by East Gippsland College of TAFE.

So they are arrangements that are basically designed to recognise the fact that, in respect of some school leavers in country areas, often there is financial, sometimes parental, opposition or difficulties to moving to the city, so-called. Consequently, to broaden access to higher education, arrangements have been entered into where those TAFE institutes deliver the first couple of years of a higher education degree. Those arrangements are supported by the union but they are done on the basis that the qualification is provided by

the university, that the university is responsible for ensuring the quality of the teaching provided and that, in order to complete the qualification, the student moves to a university for the final year, rather than walk away with a TAFE college degree. As I said, our main objective is to ensure that there is parity of status or comparability of recognition by employers of the quality of higher education degrees.

The second issue that preoccupies us is the arrangements that operate where you already have universities encompassing TAFEs. We are in the state where the majority of universities offer TAFE: RMIT, Victoria University of Technology, and Swinburne University of Technology all offer TAFE programs. So does the University of Melbourne, which offers TAFE programs in the field of agricultural education in six campuses which previously were known as either the Dookie Agricultural College or the Burnley Agricultural College, to name two of those campuses, and then subsequently as the Victorian College of Agriculture and Horticulture. That college of agriculture and horticulture is now part of the University of Melbourne.

The University of Melbourne itself, which, if you like, is at the higher end of the prestige scale in higher education, is offering TAFE programs. The University of Ballarat is now offering TAFE programs as a result of amalgamation between that university and the School of Mines, Ballarat, and the Wimmera Institute of TAFE. Arguably, Deakin University has moved into the area because it has an entity within it called Deakin Australia which offers adult and further education programs, and its deputy vice-chancellor has set the objective of having, to quote him, '40,000 part-time worker students' through the Deakin Australia operation. La Trobe University has entered the field in a different way. It has, at its Alpine Institute, an arrangement with a private vocational education training provider.

In this state the only university that has not moved into this field is in fact Monash University. When I say 'moved into the field', I mean that it does not encompass TAFE within the university itself. Monash has a co-location arrangement, where one of its campuses shares physical space with an institute of TAFE, and Monash also has an articulation arrangement, particularly with Holmsglen TAFE, where you can start a Holmsglen qualification, then after two years either walk away with a stand-alone TAFE qualification or proceed to Monash to complete the degree, but Monash itself does not encompass a TAFE.

This state is actually probably the best example of convergence of the sector, not by way of the sectors, not by way of overlap, but by way of universities having their own TAFE divisions or their own TAFE offerings. The arrangements also operate in other states. Curtin University has a TAFE provider campus at Kalgoorlie. Newcastle University has linked up with the Newcastle Institute of TAFE up there. The Northern Territory University offers both TAFE and higher education.

There are really two issues, from our standpoint: one is the overlap relationship between stand-alone TAFE institutions and stand-alone universities and the quality and accreditation arrangements that operate on the one hand; plus our other concern is to ensure maximum credit transfer on the other hand, so that students who come from the TAFE sector are given appropriate recognition of their learning in the TAFE sector when they move into higher education. The other issue is, looking at the reality that universities are now in the TAFE field and have their own TAFE divisions, what are the ramifications of the different ways in which that is done?

I will conclude by giving an example of what I mean are the different ways in which that is done. If

you take Swinburne University, there is a separate TAFE division and a separate higher education division, under the one governing council and the one vice-chancellor. It is almost as if there are very rigid organisational divisions between the TAFE offerings of Swinburne and the higher education offerings of Swinburne.

If you take the Victorian College of Agriculture and Horticulture, there is no internally separate TAFE division or higher eduction division. Programs are conducted there on an integrated basis and teaching staff are engaged on the basis that they can be allocated duties in either higher education or TAFE or both, depending on their expertise. That is what we call a fully integrated model. If you take the Royal Melbourne Institute of Technology, which traditionally had the Swinburne model of completely separate divisions under the one governing council, they have most recently decided to dismantle separate TAFE departments, separate higher education departments. Instead of a TAFE department of engineering and a higher eduction department of engineering, they are bringing them together under the same department, the same faculty structure, so they are moving towards an integrated model of provision.

We have indicated that part of the difficulty those cross-sectional institutions face is the different reporting and accountability relationships required by the different levels of government. By way of illustration, the Royal Melbourne Institute of Technology under the TAFE legislation that governs the Royal Melbourne Institute of Technology, which is state legislation, is required to maintain two completely different administrative systems for recurrent and capital expenditure. It has to separately record its capital assets, its student records, its performance monitoring. Although we are moving towards an integrated institution, it is unable to report as one entity. It has to completely bifurcate its reporting and administrative requirements into two: one for state government, one for the Commonwealth government, because the Commonwealth government is the chief funding source of higher education.

The Royal Melbourne Institute of Technology identifies that as a significant administrative cost—a pain in the neck is probably a less polite way of putting how they see it. That is one example of the problem of different reporting relationships or different levels of government being seen as the primary body for the purposes of provision. I can give you another example in the field of industrial relations, which is that in the last round of enterprise bargaining at Swinburne and at the Royal Melbourne Institute of Technology, the management concerned and the unions concerned all took the view that we should endeavour to negotiate one enterprise agreement that covered all staff of the university. We proceeded to negotiate, notwithstanding the fact that our union covered general staff and academic staff at those universities, and the Australian Education Union covered TAFE teaching staff. It was accepted by the unions and by the management that the desirable thing would be one bargaining process, one agreement, end of story.

Unfortunately, what happened was that we produced one agreement and it was held up for six months because the Victorian government intervened on the basis that RMIT is governed by TAFE legislation. RMIT can conclude autonomously an industrial agreement in respect of its higher education employees, and even conclude autonomously an industrial agreement covering its general staff in its TAFE area, because they are on the higher educational award, but RMIT was unable to conclude an industrial agreement covering TAFE teaching staff without the permission of the Victorian government.

The result was that the agreement was delayed for six months at both RMIT and Swinburne and the

result also was that at the next round of enterprise bargaining the unions representing higher education staff said, 'Well, we do not wish our members' pay increase to be delayed again so we will negotiate separately.' The management went down the same track, not because the parties desired separate negotiation but because again the problem of separate governmental relationships produced what I would call dysfunctional outcomes in the industrial relations realm. So they are two examples of the experience that we have had or our institutional management has had.

The only other point I want to make is our view is that we are living in a situation where we are in transition to what may be called a knowledge intensive economy or an information age or economy; we are largely there. At that stage of the economy, tertiary credentials, by which I mean both TAFE and higher educational credentials, will essentially be the key determinant of life chances for an increasing proportion of the population. My own view is that we are moving towards—we are on the verge actually—of reaching what I call a mass tertiary education system where completing a post-secondary qualification, not necessarily a university qualification, will be seen as natural, normal and as necessary for employment purposes as completing secondary qualifications today.

To put it another way, if we go back in history a few decades, primary school completion was seen as the norm; only a small number of people moved into secondary education. We have had our own period where completion of secondary education was the norm but only a small number of people went to what was then an elite university system, and most relied on their secondary qualification. I think the dynamics of the economy and the numerical expansion and proportion of the school leaver expansion of both the TAFE and university system indicate that we are moving towards a mass higher education system.

I would also argue that the labour market is a national labour market and I think the culmination of the interests of government in having a national tertiary education system, and the interests of a national labour market in having a nationally regulated tertiary education system, lends force to our view that the most sensible thing that could happen, with respect to TAFE, is that the Commonwealth government assume full financial funding and, if possible, administrative responsibility for the TAFE area. That is it in a nutshell.

CHAIR—Thanks very much for that. Firstly, your organisation represents the general and academic staff in the higher education sector nationally.

Mr Murphy—Yes.

CHAIR—But you also represent TAFE staff in Victoria.

Mr Murphy—That is correct.

CHAIR—Why not in other states? Just as a matter of interest, what is the problem? Why aren't you representing TAFE teaching staff in other states?

Mr Murphy—I should be clearer. In Victoria, we represent the general staff in the stand-alone TAFE institutes, and we also represent the general staff in the TAFE divisions of the university like Swinburne. Our coverage of TAFE teaching staff is limited to those institutions where people are employed on the basis that

they can, in theory, be allocated duties as higher education teaching or in TAFE teaching. So at the Victorian College of Agriculture and Horticulture, for example, even for those people who are only exclusively teaching TAFE, we cover them. There was an institution in Victorian called the Western Institute, which is now part of the Victoria University of Technology, which was similarly organised on an integrated basis and we represented all staff at that institution.

The Australian Education Union has coverage of TAFE teaching staff in stand-alone institutions. As for why our coverage of general staff is limited to Victoria, there are two reasons for that. First of all, there is a difference between Victoria and other states. In Victoria you have council employment of general staff; in other states you still have central employment of TAFE staff. Consequently the unions that correspond to the state public service tend to also represent the general staff in TAFE.

CHAIR—Obviously, one of the greatest advantages of TAFE providing vocational education and training is the very close and necessary relationship they have to the marketplace, the workplace. If the Commonwealth were to take over control—universal funding and administration of TAFEs and the rest of the higher education sector, wouldn't that actually make it more difficult for it to work closely with employers in the marketplace?

Mr Murphy—Only if the Commonwealth government had some policy of opposition to a close relationship between employers and the institutional providers. I do not think the assumption of Commonwealth funding responsibility would in any way impinge upon the degree of the relationship that operates between the industry bodies and TAFE. I can sustain that point by way of an example. With the colleges of advanced education, before they were amalgamated into the university sector, their course advisory committees were actually industry dominated. The colleges of advanced education offered degrees, as did universities, but they offered what were called more applied oriented degrees. They deliberately established course advisory committees which had significant industry representation. There is also, as a contemporary example, the Royal Melbourne Institute of Technology, as a result of the integration of TAFE and higher education. There is a report on that integration by Peter Kirby which was undertaken as part of a review of the consequences of integration commissioned by the Victorian Minister for Education.

One of the findings of that report is that, as a result of integration, the university course advisory committee structure has been overtaken by new structures which have higher industry representation. So the history suggests that there is no necessary effect of Commonwealth funding or Commonwealth control upon the industry weight in terms of course development, curriculum, et cetera.

CHAIR—Just before I hand over to one of my colleagues, your submission argues that vocational education training should be provided entirely through the public sector. In Western Australia last week, the Chamber of Commerce and Industry, who probably not surprisingly have a slightly different view, were telling us that employers are paying $6,000 to train employees and bypassing what is to them at least a virtually free TAFE system, and they in fact were arguing that a lot of the VET should be handled by private sector organisations. What is your reaction to that? Basically they were saying, 'Look, whatever you guys say, the marketplace is saying that it's prepared to pay for it and believes the private sector can do a better job of it.'

Mr Murphy—A couple of comments. I think what our submission says is that from our standpoint we

believe that post-secondary education should be provided by the public education system. The reason we have argued that concerns quality control, accountability to government and, in particular, accessibility. Our main concern about a private involvement in a tertiary education market is the extent to which you have significant up-front fees acting as a deterrent for people from lower socioeconomic backgrounds gaining access to that system.

I actually think the thrust of our submission was an acknowledgment that we already have significant private provider involvement in vocational education and training, and I think the recommendation was that we believe that there is a strong case for regulation of that involvement, rather than for nationalisation of the existing participants.

As for the evidence given to you by the Western Australian Chamber of Commerce and Industry, without being in a position to comment on it in detail, because I have not heard it or seen it, I make the following points: my experience of dealing with industry is that particular industry groups or groups of employers tend to develop strong relationships with public sector institutions and are as equally vehement in their defence about the role either of the university or of a stand-alone public sector TAFE provider as I have heard others be very strong in their support of private vocational education and training providers. I think that is an indication less of the sector of delivery than of particular problems that may have emerged which I do not think are reducible to whether they are in the public or necessarily in the private sector.

CHAIR—Certainly South Australia was quite different.

Mr PYNE—Mr Murphy, a lot of what you said in your oral submission was about the concerns that you have about administration, accreditation, institutional arrangements and integration and so on, which was very interesting. But I would like to know what you see as the role or the purpose of a university vis-a-vis a TAFE, firstly.

Mr Murphy—A stand-alone TAFE or a TAFE within the university?

Mr PYNE—No, the purpose of a university education and the purpose of a TAFE education, treating them as two quite separate things, forgetting about the fact that we have these arrangements where people are trying to get revenue and that sort of thing—just what you see is their purpose in life.

Mr Murphy—Can I come back to that last point about why we have these arrangements. The main purpose of university education—I think this is made clear in the submission—is to act, not only as degree granting institutions, but also as institutions that provide postgraduate education and have a significant research role. The notion of the university encompasses that the teaching of the university is informed by the research activity of its staff. So it is a clearly distinct identity from that of a stand-alone TAFE institution which is essentially offering sub-degree qualifications, will define its offerings primarily in terms of vocational education and training as distinct from higher education, and will also use a competency based curriculum which is seen as appropriate for the purposes of demonstrating expertise within a defined range of skills and which makes no pretensions, in my experience, to a significant research role.

So the submission acknowledges the distinct identity between TAFE and higher education institutions.

One of our arguments is that we do not believe that the identity differences should be blurred to the extent, as I mentioned earlier, that you have significant degree granting activity by stand-alone TAFEs. We are saying that there are already cooperation arrangements between TAFE and universities. I actually do not believe that they have become as extensive as they should be, particularly from the standpoint of the student who starts in TAFE and wants to move into the university level with credit, or indeed a university graduate who moves to a TAFE institution and is having problems getting credit from the TAFE institution for their learning outcomes within the university context.

The other point we have made is that we have now instituted universities encompassing TAFE and there are issues associated with that. As for whether they are primarily revenue oriented developments, in the case of RMIT, Swinburne and the Victorian University of Technology, they have had TAFE within the higher education provider ever since they were created, and they predate government decisions or signals about a market tertiary education system. So in the case of those institutions it was not primarily a revenue oriented decision. Ab initio they were both TAFE and higher education providers.

In the case of Ballarat, the amalgamation with the TAFE institutions was more a decision based on School of Mines, Ballarat, University of Ballarat, Wimmera. They are within the same catchment area, from a post-secondary standpoint, and it made sense to have one institution. To be honest with you it was less a revenue concern, but the Victorian University of Technology, which is based in Melbourne, had made a bid for the School of Mines, Ballarat, and it also made a bid for the Wimmera Institute, so the University of Ballarat said, 'We've got a city university moving into our territory.' That was the other thing that was happening.

I think there is nevertheless some truth in the fact that with governments saying to the university sector that 'As government, we will not fund the expansion of higher education or indeed of tertiary education that the economy now demands and it must be funded in part through user-pays arrangements by way of a student contribution or up-front fees' and also must be funded by way of universities becoming more entrepreneurial and raising their own private sources of funds.' In that context there will be some universities whose primary interest in moving into the vocational education and training field is entrepreneurial. I think that is true.

Mr PYNE—If the purpose of a university is as a centre of learning, and, as you talk about, quite rightly, their role is in research and so on, and TAFE is primarily a place for vocational education and training, then isn't it unwise and potentially dangerous to blur the boundaries between those two institutions by talking about an integrated institution, where people can get credits for TAFE training in universities towards a university degree, and vice versa?

Mr Murphy—Can we separate out credit transfer and integration. Credit transfer can be simply an issue of you started at a stand-alone TAFE institution, and, having completed a two-year qualification at a stand-alone TAFE institution, you have decided that you now want to move into a university degree. It may have been because at the time when you contemplated post-secondary education your year 12 scores were not the greatest; you did not have the confidence about your ability to perform in a university context. You went for TAFE; you established confidence in the process of completing a TAFE qualification, and that encouraged you to look towards a university degree.

That is a fairly common pathway, if you like, and I think I mentioned that Holmsglen TAFE, which is

a stand-alone TAFE, and Monash, which is a university which has no TAFE division within it, have articulation arrangements or credit transfer arrangements that allow students to do that. So I do not think the credit transfer issue is dependent upon an integration arrangement. The integration issue I raised was not to say all examples of what I call cross-sectoral cooperation between TAFE and higher education have to take the form of integration. It was simply to say that, within the spectrum of universities encompassing TAFE, there are integrated models and there are Berlin Wall models where there is a TAFE division and a higher ed division under the same university governing council, but they are not integrated.

Our submission does not argue for integration as the way to go. What our submission has said is that there is a variety of models of cross-sectoral cooperation, none of which have been studied and evaluated, with their strengths and weaknesses identified. Government policy—often state government policy—in this arena has been haphazard. To give you a relevant example which is Victorian—and I am familiar with the Victorian scene more than anything else—in 1982 when the Victorian College of Agriculture and Horticulture was created, the decision was made by the then government—which I think was the Hamer government or the Thompson government—that it would be an integrated institution: higher ed and TAFE, people employed to teach in either or both as the case may be.

A couple of years later, when the Cain government was in power, there was another institution called the Western Institute, which I have already mentioned, and the decision was taken by the then Victorian government that 'We will also have an integrated institution providing higher education and TAFE,' and it looked, from our point of view, that the fashion was integration. Then they decided that in the Wodonga region they would create a Wodonga Institute of Tertiary Education. So we had a Western Institute of Tertiary Education in the western suburbs of Melbourne; now we have a Wodonga Institute of Tertiary Education.

In this case they decided that it would include higher education and what was Wodonga TAFE, but although there would be one governing council and one physical campus, there would be no integration, in the sense that there would be no cross-sectoral teaching and there would be separate departments for TAFE and separate departments for higher education. So we went from the integrated model back to what I call the dual sector model. Subsequently we went to the co-location model, where you have no unifying governing council; you just have two separate institutions with two governing councils, sharing the same campus, which is the arrangement that is operating at Berwick between Monash and I think it is Casey TAFE.

So that is another model which has been used. We also have the dual-sector model that I mentioned at Swinburne—one university, one governing council, two separate divisions, TAFE and higher education, but separate departments: no real relationship between them—and we have the RMIT model which is that there is no real cross-sectoral teaching but there are single departments and single faculty structures. So there are a variety of models of cross-sectoral cooperation, none of which have been properly evaluated, with all their strengths and weaknesses identified, and I think that was the point that we made in our submission.

But on a broader basis, without compromising the identity of the university sector relative to TAFE, when you have university engineering and TAFE engineering, then it is a little bit difficult to imagine a rigid boundary between vocational education and higher education, because the higher education offerings are still within the vocational realm in one real sense.

Mr PYNE—You talked about all the different models that have been established throughout the hotchpotch of the 1980s and the early 1990s in terms of education, but I would put it to you—and I would like for you to comment on this, and then comment on another question—that most of this problem with all the various different models is caused by an identity crisis about what the purpose of universities has been, and in the 1980s this direction towards universities providing vocational education and training rather than being centres of learning, and in fact the amalgamation of colleges of advanced education and, in my own state, the turning of colleges of advanced education into universities, has added to this sense of identity crisis about universities and TAFEs.

Wouldn't it be better for society to recognise the differences between vocational education training and higher education learning, and put faith in TAFE students who come out with diplomas or whatever and believe that they have as good a training in the areas where they have been trained to do the job that they have been trained to do, rather than creating this impression amongst young people, and all people, that they need a degree in order to be able to get into an area of employment that they want to follow?

A lot of the reason why people say, 'I've done a couple of years at TAFE. I want to go to university to get a degree'—some TAFEs in South Australia are trying to offer degrees, and the state government is allowing that to happen—is that they feel that if they have a degree, that they are going to be more employable, where in fact what we should be doing is making these people understand or making society understand that to have a diploma from TAFE trains the person for the job for which they have been trained, but having a degree is something quite separate; that means that you have been to a centre of learning like a university.

Wouldn't it be better if we tried to change the perceptions of diplomas and degrees, and what people are doing at TAFEs and universities, rather than trying to mix the whole thing up and creating this mishmash that we have now?

Mr Murphy—Yes, but you have to start with employers, because I think the perception of greater employability as the result of a degree is a rational perception and reflects a process of credential creep which has occurred within the labour market because employers have increasingly demanded degree level qualifications.

Mr PYNE—Is that probably because they do not understand what the purpose of universities are?

Mr Murphy—No, I do not think so. I think it is partly a matter of increased complexity of work organisation and work tasks. We have experienced in the higher education sector a constant process of credential creep—colleges of advanced education are probably a better example. Colleges of advanced education both were degree granting institutions and also offered associate diplomas which were two-year qualifications. Over the period of their evolution, the proportion of their offerings which were at the sub-degree level disappeared markedly, and not because TAFE was taking up the slack but because the industry representatives on the advisory committees were saying, 'Instead of a two-year qualification, we want a three-year qualification. We want a degree.'

I will be honest with you; there was a bit of internally generated credential creep, but it was externally

driven to a much greater extent than internally driven, in our experience. Essentially what the labour market was saying was that 'increasingly in these fields, due to the changing nature of work complexity, we require tertiary qualifications'. Hospitality and tourism is a good example, where there has been a proliferation of degree level offerings in hospitality and tourism, and that is because the institutions are responding to industry demands for degree credentialled labour.

So if we are going to re-educate the labour market, then I would start with the employers, and I wish you the very best of British in that area. I actually think there may be a rational perception on the part of employers of labour that as a result of the shift in the economy they do need people with the level of intellectual breadth, depth, critical skills, aptitude—whatever you want to call it—that are usually associated with the term 'degree'. So the issue then is not a problem of the identity of the university system; the issue is, if you have a mass demand, mass degree granting system, what do you call it? Do you still call it a university or do you reserve that term for a small number of relatively elite, ivory tower institutions?

The decisions of government have been that 'We will basically say that the university system will be responsible for offering degrees.' So in relation to the reason why the colleges of advanced education were merged with the university system, you might say that that caused confusion about the identity of the universities. But I think the more relevant point is the prior expansion in degree granting institutions and in the number of school leavers who were enrolled in degree granting institutions—whatever they were called, universities or colleges of advanced education—and that is the more essential point, because whether we use the term 'college of advanced education' or 'university', you still have the issue of moves by TAFE to talk about degree granting activity, which suggests that there is still pressure for an expansion in degree programs in the system.

What I think you are alluding to is: how do we preserve the identity of TAFE and the identity of the university system, or of the degree granting system, for want of a better phrase? I would have to say that I do not think the University of Melbourne is at all compromised in its identity or the public perception of its standing as a university by virtue of the fact that it offers TAFE programs in the field of agriculture and horticulture. I do not think that the University of Melbourne is going to lose its identity as a result of that.

On the other hand, the findings of the Kirby review of RMIT's integration is that the identity of TAFE in RMIT has also been preserved. The findings of the Kirby review were that the profile of RMIT TAFE is probably stronger in a competitive sense against stand-alone TAFE institutions than the profile of RMIT higher education against other degree granting institutions. Given that RMIT has had TAFE in it for decades, I would suggest that if the identity of TAFE was compromised by virtue of it being located in the one institutional framework, that also offers degrees or is called a university, then that would have showed up by now.

Mr MAREK—We have received evidence in Western Australia when we were talking to other groups, and they are saying that many students who have completed uni are going back to TAFE—which I know is a fact—basically to get experience. Now, you would agree that we should have this seamless overlap.

Mr Murphy—I would agree that we need to ensure significant credit transfer, yes.

Mr MAREK—It is already happening.

Mr Murphy—No.

Mr MAREK—Are you sure?

Mr Murphy—Student mobility and credit transfer are different. Students may go back to TAFE or go from TAFE to universities, but the degree of recognition of prior learning by the TAFE of the university graduates or the university of the TAFE graduates varies markedly from non-existent to partial to full. So all we are saying is, 'Let's recognise it.'

Mr MAREK—That is interesting, because I went through TAFE—I am a fitter and turner—and now I am doing my masters in business.

Mr Murphy—Yes.

Mr MAREK—That is with the CQ uni. They are taking on board a lot of what I have done previously, so there is a credit system. Are you saying that some universities are accepting the credits from other places, or is it haphazard?

Mr Murphy—What I am saying is that it is haphazard, it is ad hoc. There was a report released—the name of which escapes me, but if the committee is interested I will follow it up—that actually went through—I think it was primarily focused on the Victorian institutions (I think it was a state government report) on the degree of credit granted in each field of study by each university in the state, to people from TAFE. It has basically showed for one TAFE course, if you went to, say, La Trobe, you would get X amount of credit; if you applied at Deakin you would get X minus Y, and if you applied at Monash you would get zero. The point I am making is not that there isn't student mobility, but—

Mr MAREK—It is not across the board. That is what you are saying.

Mr Murphy—There is not systematic credit transfer. Consequently, I think, first, there probably would be a greater level of student mobility if credit transfer arrangements were sorted out appropriately and, secondly, even if the mobility was not increased, I think there are a number of students who are basically spending a longer period in formal education than they would need to because of the absence of systematic credit transfer arrangements.

Mr MAREK—In Western Australia we were talking to the Chamber of Commerce, as the chair intimated before, about regulation and deregulation. Just straight down the line, how do you feel about that? Do you think we should regulate or deregulate TAFE training and, more to the point, do you think the universities should be able to take courses from TAFE, and vice versa?

Mr Murphy—There are two dimensions to that. My general view is that we have now a significant private vocational education and training market. I do not expect that government is going to change its policy on that. The real question is whether there is a regulatory framework that ensures quality, that ensures some degree of national comparability, because I do believe we are living in a national labour market, not a Perth one or a Melbourne one.

Mr MAREK—Just to quickly throw something in there, in relation to something the chair mentioned before, I think one of the problems the chamber of commerce mentioned was that it did not think the level of training was satisfactory, and that is why they were paying the $6,000 or more money to be able to put their own people into TAFE and train them with their own people. So I just add that.

Mr Murphy—I accept that, and I think I have dealt with the fact that my experience of industry is that their loyalties or allegiances vary markedly. Some are highly loyal towards public sector TAFE, some are, for example, champions of the Swinburne-VUT-RMIT model, some prefer in-house training, and some prefer stand-alone private providers. I think that is a fair range of industry views. I am not quite sure if there is a 'the industry' view on this question. I think their allegiances vary markedly.

But the point I was trying to make was that if you are going to have a private vocational educational training market then you need to have appropriate regulation to ensure its quality, and also financial probity. The last thing we want is a return to what happened with the English language market. We had an expansion of private providers in ELICOS, English language programs, directed at overseas students, and lots of them collapsed and it had a significant effect on our reputation overseas. It also meant a lot of students were out of pocket.

We would generally favour regulation. If you are asking whether the TAFE/university interface should be regulated, my answer would be yes. Our recommendations are making some skeletal suggestions on a regulatory framework.

Mr MAREK—Yes, I see that. Do you see TAFE possibly being overtaken by the university system and, basically, TAFE becoming non-existent?

Mr Murphy—No, I do not, although I will say that I will suggest that the pressure on TAFE from other sectors of education is not confined to the university system. I would also look at the extent to which there is, at the behest of state governments, an expansion of secondary schools and often senior secondary colleges into the TAFE arena. But I do not think stand-alone TAFEs are on the verge of collapse.

Mr MAREK—Yes. I understand that you are talking about a push for a mass higher education system, right?

Mr Murphy—Yes. I think we have got one.

Mr MAREK—Yes. What we are going to end up with, basically, is a system where we have all academic people and no people going into vocational trades.

Mr Murphy—No. If you recall, I referred to a mass tertiary education system, and I said that does not necessarily mean that everybody who gets a tertiary qualification is getting a university qualification. We have now a mass university system, compared to the elite university system that Australia had about 15 or 20 years ago, but I have used deliberately the phrase 'mass tertiary education', because it includes other forms of post-secondary education and training.

Mr MAREK—My greatest concern was that, in the committee's previous inquiry into factors influencing the employment of youth, we continually heard that a lot of young students leaving high school were saying, 'If you don't go to uni you'll never be anything,' and basically what was happening is that we now have a great deficiency of tradesmen or vocational tradespeople in this country.

Mr Murphy—Yes.

Mr MAREK—I am just worried that maybe that mentality that you were talking about could have been one of the reasons why we are having this now, and that people are being pushed—'If you don't go to university, you'll never be anything.' And that was sort of what you intimated there before, that you have to go to university.

Mr Murphy—No, that is not what I have said.

Mr MAREK—No?

Mr Murphy—What I intimated is that I think there is employer demand for tertiary-credentialled labour. For a whole range of occupations where previously year 12 or HSC was accepted, there is now an employer requirement—formal or de facto—for tertiary-credentialled labour and often, increasingly—but not necessarily—for degree qualifications. What is being said to me is that in some occupations where previously a degree was regarded as more than sufficient, now they are looking for masters and postgraduate qualifications. That is what I was referring to.

That is not a statement that the demand for tertiary-credentialled labour is primarily or exclusively a demand for degree-credentialled labour, because I also think that there is considerable expansion in demand for what I call sub-degree but post-secondary qualifications. That, in my opinion, is a function of the economy in which we are living.

Mr BARRESI—You mentioned that the identities of RMIT and Melbourne University have not suffered by having a TAFE aspect to their organisations. With the recent announcements by Phil Honeywood in Victoria, do you have any thoughts about the likely identity crisis that may occur through some of those amalgamations? If there is not, would places like Box Hill, for example—and we are going to be seeing Box Hill later on today—actually stand to gain from the current amalgamations because they have not amalgamated with anybody at all, and are a stand-alone institution?

Mr Murphy—I think there is a misunderstanding about what Honeywood has announced. He has actually announced that only a couple of stand-alone TAFEs would amalgamate with universities. One was Swinburne and one was VUT. The other amalgamations are amalgamations between stand-alone TAFEs to produce enlarged stand-alone TAFEs. So I think that is a separate question from the university/TAFE interface. That is simply a decision to keep stand-alone TAFEs but we want them larger than they currently are.

CHAIR—One thing you might do for me: regarding your suggestion about evaluation of the models, could you perhaps give a little bit of thought to how you think that ought to be undertaken, the sorts of institutions and models that would be ideal for such evaluation, and how you think it ought to be funded and

conducted.

Mr Murphy—Sure.

CHAIR—If you could perhaps give a bit of thought to that and perhaps send it on to us, that would be great.

Mr Murphy—Yes, no problem.

CHAIR—Thank you very much.

[10.28 a.m.]

KING, Mr Richard, Executive Director, Association of TAFE Institutes, Level 2, 126 Wellington Parade, East Melbourne, Victoria 3002

MACKLIN, Ms Alice, Executive Assistant, Association of TAFE Institutes, Level 2, 126 Wellington Parade, East Melbourne, Victoria 3002

CHAIR—Could you please outline the capacities in which you are appearing today, and then perhaps give us a five- to 10-minute overview of your submission, and then we will discuss the issues raised in your submission.

Mr King—The Association of TAFE Institutes is an employer body representing all of the TAFE institutes and the four multi-sector universities in Victoria and the Council of Adult Education. With me is Alice Macklin, my executive assistant.

CHAIR—I think you heard me introduce the committee to the previous witness.

Mr King—Yes.

CHAIR—On my far right is Mr Phillip Barresi, who represents the Melbourne seat of Deakin for the Liberal Party.

Mr King—The association is an industry association and, as such, we represent TAFE, the structure, as opposed to TAFE, the product. I think a lot of what has been said in inquiries like this—and no doubt will be said in future—is about TAFE, the product. We go for a TAFE education. The difficulty I think all the stakeholders in this industry have is identifying just what it is we are talking about.

We see the role of TAFE as being a structure through which the community—and that is the individuals in the community, the business community, the government community, the whole community of Australia—has access to education. Now, we in Victoria need to supplement our capacity to provide that education provision. So it is the role of TAFE to provide access to our community to education. There is a whole raft of reasons why that ought to happen, and if there is time we can touch on those.

The structure in Victoria is somewhat unique. It is touched on a little bit in Western Australia in the way our institutes are structured, the way they are accountable, but we in Victoria need to supplement our capacity to provide public access. We do that by direct commercial activities. We refer to it as fee-for-service activity. The mix in Victoria is about 40 per cent entrepreneurial, and 60 per cent government clients, both state and federal.

What that has led to, in order for us to access those capital resources to meet our community obligations, is the formation of a series of autonomous institutes. They are autonomous in the sense that they have the capacity to employ staff and to direct staff and to fire staff, all staff. They are autonomous in the sense that they have the managerial capacity to make decisions with respect to the markets in which they choose to operate, the capital which they choose to invest, and how they run their business.

They are, of course, as public sector organisations, bound by the rules of accountability, and that, in one sense, makes them less autonomous now than what they might have been when they were public providers, when staff were direct employees of the Crown. But, nonetheless, they are autonomous, and they have that capacity to engage in those private markets.

One of the difficulties we have had in Victoria—and it was a difficulty that we had a look at in the terms of reference of this committee and we talked about the role of TAFE—was to try and identify just what TAFE was. We had been pressing the Victorian state government for the last three or four years about articulating the vision for the state training system, and that was a very difficult thing to do because the state training system was an integral part of the national training system, and there did not seem to be any coherent articulation of what the national training system was.

It is a need that exists, not for ourselves—it is not an internal need—but our intelligence tells us that it is industry who are confused, it is industry who do not know what TAFE represents. I read with interest the reports or some of the comments of your previous inquiry, the youth unemployment inquiry. The thing that alarmed me was that young people displayed a lack of knowledge of the TAFE system. That is one of the key points. It is not just young people, of course. It is the users. The users are industry. The apprenticeship system in Victoria is around about five or six per cent of our total client base, so they are a very small part, but the majority of people are people who are increasing their skills and their knowledge base, and those are the ones who do not know what TAFE has to offer. So we have to identify the role of TAFE, and we do not do it very well as an industry. We do not seem to be coherent. There is a system of industry advisory boards in Australia. The one industry that does not have an industry training board is education, and that probably contributes to why we have an identity crisis.

I would like to say that TAFE itself at the moment is a component part in an amorphous educational ideal. It is just one component part. It is not a system. If I could use the analogy that others have used before me about systems and components, a component is a bicycle which consists of wheels and pedals, and you can do all sorts of things to a bicycle to change it, but it will always be a bicycle. Put bigger wheels on it or take the handlebars off, and it will be a bicycle. A system is being likened to an animal, a frog, and you cannot do much with a frog. Change its legs or whatever, and it dies.

The other thing is that component part need an external catalyst to make it work, whereas a system is self-generating. TAFE is just one part of the component. It is not a system. It does rely on higher education and schools division and public funding and private support, and it relies on a whole range of things to make it work. Once we can identify what that role is, then I think your job and our job will be an awful lot easier.

The core business of TAFE as a component part of vocational education and training is to provide training for industry. It is about upskilling the net intellect of the Australian populace for industry. It is part of one of many means that strive to achieve that. We focus on useable vocational skills.

I had the opportunity to listen to the previous submission that was made this morning, and I was struck by the emphasis on the differentiation between TAFE and universities, and so much discussion on whether or not TAFE ought award degrees and why universities award degrees, and what should happen and what should not happen. My view is that employers—and I am an employer now, and I have been an employer in another life—do not employ people with degrees. Employers employ people with knowledge and capacity, and I do

not particularly care whether an employee has a PhD, but if he can do the job and I do not have to spend money on training them to do the job before I can start to earn from them, then I am much more comfortable about employing them.

So TAFE is about educating people to a level of acceptability to the employer, to industry, and that is what we do, and that is our core business, and that is what we do well. I think much of the other debate is internal debate. It is about a bit of self-assurance, it is about establishing our reason for being in an internal sense, but I think there ought to be more emphasis on our external reasons for being, and it is our external reason which is our role, and our external reason is about providing access and equity to the broader community to access education, which has the flow-on effect of making the Australian workforce, in all capacities, blue and white-collar, a place that is smarter and has the skills to compete.

It is interesting to note that, possibly because of our Anglo-Saxon background, tradespeople in Australia are regarded with less esteem than those who have a professional background. We go to Europe and see the way they are regarded. They are not regarded as tradesmen at all. They are regarded as technicians. If we look at the cost of engaging a tradesman, plumbers come at $90 to $100 an hour, and then they work in 15-minute increments, so it is not a matter of financial status, and when you need a plumber, you need a plumber. Nobody is suggesting for a moment that plumbers ought to be awarded degrees, so it has nothing to do in my mind with degrees.

Industry comes along and says, 'We want a workforce that has this amount of knowledge. Who is going to provide it?' A university might say, 'That's our core business. That's our marketplace. We'll provide that, and in order to attach some form of accreditation we'll construct a degree or join it with an existing degree program,' and the degree will become the outcome, and of course one of the spin-offs is that if the university has a degree attached to this imparting of knowledge, so Commonwealth funds flow.

In TAFE we're about providing that net knowledge, and we do it to the private sector to the tune of 40-odd per cent across the system. Some of our institutes are as high as 60 per cent private business and 40 per cent government—that is state and federal government. The differentiation is increasing. In Victoria, the Victorian government is moving to a system whereby they simply purchase the product. They take advice. They need X number of trained people in a particular trade or profession. TAFEs bid for that work to provide the training. They are successful or they are not successful, and things flow. So government is becoming increasingly more a client, a purchaser of the product, the same as ICI or anybody else might purchase our training.

I think the reason that people like the chamber in Western Australia are prepared to spend $6,000 on training is because they do not know what TAFE offers them in Western Australia, and to some extent that happens here, of course, for different reasons, but it is significant that Victorian TAFE is operating in 40 countries, it is operating in every state of Australia. We have Victorian TAFE teachers delivering programs in Western Australian Institutes of TAFE, because it is cheaper for them to use our people rather than their own. We have Victorian TAFEs delivering New South Wales Department of TAFE accredited training in New South Wales, because they went in there and they bid for it, and they got the work and they delivered it. So there is a whole range of issues there that differentiate Victoria from other state systems, and so when we look at the role of TAFE, it is a very difficult thing to say the role should be A, B or C, because there is no

uniformity of approach, partly because TAFE is a state-based, state-controlled system, as opposed to a federal system. I do not know if it would be any better or worse if that were to change, but that is the way it is.

As far as overlap is concerned, I think core business will decide whether there is any overlap. Universities are about research and knowledge. They certainly compete for the same cohort, but it does not necessarily mean that they compete for the same product. Some people will say, 'Buy our car as a means of transport. We're competing for that cohort.' Others will say, 'Don't buy a car. Use public transport'—two organisations competing with the same cohort, in competition, but the products are vastly different—and so it is with TAFE and higher education.

I do not think that any examination of the extent of overlap is about building fences or differentiating between universities and TAFE. I do not think it is about keeping them apart or preserving territories. I think it is about recognising the difference in employer/industry need. It is about recognising the differences in outcomes and markets and the client base. That is what it is about and, as I say, we would talk some more, but I think the main difficulty that we have in Victoria about identifying the role of TAFE is a clear articulation of the vision. Firstly, who owns it? Is it the federal government, who provide funding and make it a state responsibility to administer, or is it industry? So I think there are some fundamental issues that we get into, without getting into the administrative arrangements, about whether multi-sector institutes are better or worse than regional institutes in the backblocks.

CHAIR—Thanks very much, Mr King. I have a couple of questions: firstly, your reaction to the suggestion that it should all be publicly funded?

Mr King—No. I think if we are serious, if we are mature enough about our industry, we have to strive to become commercially independent of public provision. I think governments have a responsibility in a number of areas. Health, transport and education are areas where all governments have a responsibility, state and federal, and to that extent, in the fulfilment of those obligations, the government will see fit to purchase funding, so there will be a public funding of vocational education and training. Now, whether that funding flows to organisations that had their historical roots within the public sector, or whether it flows to entrepreneurs who pop up on the street corner, is a totally separate issue, but I think there will always be public provision.

CHAIR—The second issue: you and others have identified the relationship between the secondary schools and TAFEs and organisations offering VET. You have identified the fact, and the committee certainly did within its previous inquiry, that the kids are not really understanding what TAFE is about and what it can actually offer them. What are you doing and what do you believe you should be doing to rectify that, and what role could the Commonwealth play in assisting to educate kids about what TAFE is actually offering them? I think there are some people who perhaps feel that over the last decade perhaps that the leadership, the political and perhaps the commercial, has also suggested people really needed a university degree, and I think most people would realise that is probably not the case, and that TAFE is offering something that is quite acceptable, if not desirable.

Mr King—Yes. There is a bunch of questions in there, isn't there? What ought be done? Well, I am an unashamed entrepreneur when it comes to this industry. I think there is a product out there, and the product is

vocational education, and there are a number of markets which we aim it at. There are those that the government has identified as being in need, and we refer to that as the public funding area, and there is the private sector, and increasingly the private sector is having a greater say in what we do.

Educating our kids, another misconception: TAFE is not—or certainly TAFE in Victoria is not—predominantly occupied with educating young people. It is predominantly about educating older people, if 35 is old. It is that upper end that we are about educating, and I think that promotion needs to happen. Education and training is a consequence of the need—when we say Australia needs to be a clever country, then that needs clever industries, clever people, and education and training is but one means to achieve that. It is not the catalyst. It is a consequence. We need to sell the benefits of training. Large organisations know, large organisations run their own training programs, partly out of necessity. The airline industry has a large in-house training program, of course. Not too many TAFEs can afford to have a 747 sitting in the back to pull to pieces. The maritime industry is the same. There are reasons of necessity that cause that to happen.

But by and large it is a social issue. We need to promote the fact of governments wholeheartedly embracing the benefits of education. I will just touch on a couple of social issues. I believe that if we have a society that values education, then one of the spin-offs will be raising the self-esteem of people, which will lessen the impact on the social systems of the country. There is a huge body of research that has showed the benefits to society in that regard. The previous witness spoke about issues with regionally based educational institutions and the benefits they have. Think about, for a moment, the effect on a family in Mildura not having to send their children to Melbourne to do an arts degree. It keeps the family together, it is cheaper, it maintains the growth of the town. What will happen in Ballarat, we hope, is that Ballarat will become a centre of excellence for education, that people will be attracted to the centre, and it preserves the family unit, and there is a whole range of social issues in there that are hardly mentioned, let alone promoted, and I think that is what government ought to be doing.

There are a number of initiatives that I see are occurring where TAFE ought to have a closer relationship with the community. The Prime Minister announced a round table set-up, I think, in March under—who is it?

Ms Macklin—Warwick Smith.

Mr King—Warwick Smith, Family Services, to promote a greater involvement of the third sector—they are the volunteer sector in public sector bodies—to give them greater ownership. That is exactly what we have been doing here in Victoria for four or five years now and it needs to happen nationally. Without it, TAFE will always be some amorphous mass; that nobody really knows what they do but they are there and they get lots and lots of money and we do not know why.

Mr PYNE—Mr King, you said in your oral submission that the role of TAFE was to educate people to a level that was acceptable to employees and to industry. Your submission was very strongly focused around the purpose of TAFEs being involved with vocational education and training, linked closely to industry to make them employable and to get them into jobs that are not perhaps suited to university education.

Mr King—Yes.

Mr PYNE—To that extent there is a creeping breakdown of the barriers between universities and TAFEs and I think that that is not necessarily at the behest of TAFEs. I think what you have said is very true, I think TAFEs do have a very strong view of what they do and you have stated that very comprehensively today. But there are some revenue implications for universities that can attract courses to their universities that would normally be in TAFE.

Mr King—Yes.

Mr PYNE—So to what extent are you as an institution, as an organisation, trying to discourage that creeping of universities into vocational education and training courses, even though you have said it is not about who is offering degrees and who is not offering degrees, it is about employing young people. That is true but the purpose of this inquiry is to find out how much the overlap is occurring and how little it should occur. Would you like to see two strong sectors, the university sector and a TAFE sector, with the university sector not able to creep into the raison d'être of TAFEs?

Mr King—I think the national competition policy stops any aspirations to put a fence around the university or TAFE entering into markets. Simply what is happening is that there is an identified need, and let's just focus on the need coming from employers. There is a very large body of need there where people believe that they need to upskill their knowledge and experience—self-motivation type things—because, 'With that qualification I will then be more employable, I will be more mobile' and all of those issues.

No, I do not subscribe to the view that we ought to put fences around TAFE or universities or secondary schools or private providers to stop them from accessing the niche markets that have historically been there. There is a certain inevitability that financial pressures on all organisations will force them to extend their coverage of the markets, and universities may need to say, as many do, 'If we are going to be at the forefront of this particular area of research we need funds.' One way to get those funds is to engage in the more traditional educational markets. That might happen to be in the TAFE sector. That is what competition is about. No, our view is that the barriers ought to be torn down.

Mr PYNE—Right.

Mr King—There are academic, there are cultural, there are intellectual barriers. There are perceptions of barriers around the universities. I think they ought to be torn down. I think that TAFE ought to be able to develop, within the constraints of proper academic rigour, courses that are worthy of the awarding of a degree. I say 'worthy of' but again a degree is a recognition in part to the participant of the course but it also acts as a recruitment tool. If you advertise a job and you get 70 or 80 applicants, one way to thin them out, if you will, is to require a particular level of accreditation with respect to their qualifications. That is what degrees are about.

TAFEs should be able to, and they do, reward and recognise the training that happens with their students and they do it through a raft of certificates and diplomas and associate diplomas. The challenge is not about changing the diploma into a degree and let's call it something else, it is about getting industry to understand and accept that a diploma in computer technology or a medical technologist from RMIT—the person with that piece of paper that has that tag attached to it is the person that has the recognised skills,

knowledge and capacity to do the work.

Mr PYNE—So do you think it is possible for universities to maintain their focus as a centre of excellence and of learning, not just for the benefit of the student but for the benefit of society as a whole, in terms of improving the overall understanding and philosophy of a society while they dilute their goals by pursuing vocational education and training courses in order to boost revenue to the university?

Mr King—I would have to say, Mr Pyne, I do not agree that they would dilute it if they entered into the VET market, but what you are suggesting to me is an organisation in danger of compromising its core values if it extends into other markets.

Mr PYNE—I would suggest that you would say no.

Mr King—That is correct, yes. I do not think it is. If that principle were true I think you could wipe half of the publicly listed companies off the exchange. Have a look at the diversity of some of the huge companies in Australia; what has Coles-Myer got to do with rubber tyres on cars?

Mr PYNE—But I do not see a university as anything like a company. I see a university as an entirely unique institution in a society. We just have a different view about what a university is.

Mr King—Yes.

Mr PYNE—As you very strongly said in your oral submission, and I firmly believe that what you said about TAFE is right, it should be for the training of students to help them be employable for industry. I do not see that as the role of universities.

Mr King—What has happened over time—and I try not to look in the past too much but I have to say this. RMIT University, which the previous witness spoke of, and Swinburne University were not situations where universities took over TAFE institutes. It was about TAFE institutes growing to become recognised as centres of excellence that warranted them being called universities. RMIT was the working man's college, the precursor of TAFE. It was not a university that has a TAFE division, and Swinburne was exactly the same.

I do not think that we need to get too hung up about the roles of universities and TAFE. TAFEs meet a particular need and I see universities as an organisation; it has a product, it has a mission and it has a purpose, the same as any organisation participating in any market has a mission. It just happens to have a longstanding mission, it happens to be surrounded in community values that have grown up across the world in all countries, and it has been seen as an organisation with a very strong purpose—a seat of learning. All those cliches sort of fall out about universities in what they have been doing. But I see them as an organisation with a purpose. Is it a discrete purpose? It has to been to date but I do not really see why it should continue.

Mr BARRESI—Before I actually ask my question, I just wish to clarify a point you made in answer to Chris's question. You said something about the national competition commission would prevent the universities. Has it actually said that?

Mr King—The national competition policy.

Mr BARRESI—Is there actually a ruling on that at this stage?

Mr King—The national competition policy is what I was referring to. That national policy has been embraced wholeheartedly by the Victorian state government. For us, as an industry association, to stand up in this state and to say, 'Look, that's a traditional TAFE market there. They are our people and we've been there since time immemorial and you really shouldn't be involved in that because we've got all the skills and capital resources'—it is just—

Mr BARRESI—Therefore my question is, if you do take down the barriers, as you say, between the TAFEs and universities—and to some extent I share Mr Pyne's views about the role—aren't you actually jeopardising the future of TAFE? Because in a market-driven society you will find that the credentials of the university in the eyes of your target audience—and your target audience is mums and dads—would be towards those institutions that have that built-up reputation, not necessarily a Melbourne university or a Sydney university, but certainly a university with a feel about it and you will find yourself very hard-pressed to compete in an open marketplace.

Mr King—That is the product of the society in which we live. If you have an organisation selling shoes and the competitors come in and knock you off because you are not efficient or not attractive to the client base, then goodbye. Rightly or wrongly, that is what we live in and TAFE is exactly the same.

Mr BARRESI—I understand competition and I have the greatest respect for it, but I am just looking at the point of view of what makes you think that TAFE can compete in that kind of marketplace because of what I have said about it.

Mr King—Apart from the fact that we do it better, why do I believe that TAFE—

Mr BARRESI—You say you do, yet the people out there do not know it.

Mr King—Some people out there do not know it. Yes, there are people that we need to touch; it is an expanding market challenge. Why do I say that we have every reason to be confident of the future? Because TAFE is close to its client base; it talks to its customers. We talk about products and markets; we talk about consumers and customers. We do not talk about—I do not know what we do not talk about. That is how we relate. When industry comes knocking on our door and says, 'We've got a plant at Shepparton' or Warrnambool or somewhere, 'and we want you to come and deliver some training Friday night to Sunday morning and we want the training to look like this,' then Victorian TAFE is in a position to respond. It does not matter whether it is here, in Malaysia, in South Africa or in Sydney. Victorian TAFE has the record to show that it is capable of responding quickly. That is why we do it.

Part of the reason that we can do that is because we are not burdened or shackled to a bureaucratic system of awards that says, 'Well, we can only run a four-year program that has a tag attached to it called a particular degree.' We can do these modules. TAFE has moved to say, 'Well, it's a bit pointless doing stand-alone modules, because people want to have a collective approach to things, so we will link those modules and

give them credit into a more formal structure of learning. But TAFE is responsive to our customers' needs and that is why we can do what we do well, and that is why we will continue to do well. We have a reputation. It is not just about education: it is about the provision of student services; it is about the library, the counselling.

Some Victorian TAFEs are acting as employment brokers. Some are saying, as is the case in North America, 'Do our course and if you are not employed within a period of time, you can come back and do another course, because we think our course is so good, so respected by industry, they will be knocking on the door.' That is the level of entrepreneurship that is occurring, and I think that our reputation and our facility will enable publicly structured TAFE institutes in this state to compete with both university schools and private providers.

Mr BARRESI—Your commercial independence that you are seeking would give you that edge as well?

Mr King—Yes. We need that commercial independence to be able to make the decisions to say, 'We want to send the associate director and the curriculum manager to Singapore to talk about a new program.' We need that commercial independence. If we have got to go cap in hand to the shareholder, albeit the government or someone else, and say, 'Can we spend the money?' we have lost it. We have got people in North America turning the satellite dishes south saying, 'Don't worry about sending somebody, just tune into the net.'

Mr BARRESI—Isn't there a danger that if you were totally commercially independent you would be totally market driven, which means there could very well be loss of some educational courses?

Mr King—There is the potential for that to happen, yes. It is a question of whether the organisation maintains its educational ideal about education for the community, our community service obligation. It is to the extent that the organisation clings to that. The thrust that we are promoting in Victoria is that TAFE institutes ought to become aware of their corporate responsibility, that they ought to be talking in their corporate social responsibility about working closer with their catchment area—their people. If they do not then, yes, you are quite right. They will lose that and they will probably suffer as a result in the long term.

Mr BARRESI—Finally, before we move on, just going back onto that removal of those barriers and my point about the credentials of a university, one of the things that we are seeing in society these days is a concept of the one-stop shop. We see it in most things these days, whether it be in amalgamations of our social security offices or in terms of your 7 Eleven convenience store, whatever it might be. Surely a one-stop shop education facility has a great deal of attraction to a prospective student?

Mr King—Yes, if the one-stop shop is selling the same product it has, but the product is not the same. The product at the university and the market that it strives to serve and the outcome are different to the products and markets that TAFE is striving to deliver. If it was the same product, yes, but it is not. It is diverse. Our customers are diverse; our product is diverse.

CHAIR—I think we understand that. In fact I asked of one of the people we spoke to last week what was driving the closer articulation, and their considered response was that it is the students. It is the consumers, if you like. That is reflected in the fact that the flow from university degree to TAFE finishing off,

if you like, is seven times higher than the flow the other way. It sits on the iceberg of a bigger question that both Mr Barresi and Mr Pyne have asked, which was put to us rather graphically last week. That is this thing that increasingly we are moving toward people being trained with much less emphasis on their education, and universities, of course, have focused predominantly on education and research, and TAFEs, of course, on vocational education and training.

One of the concerns we have got is that because TAFEs are funded differently from universities, we may end up in a situation where we have much lower regard being given to languages, history, arts, things which are not seen to be given a commercial return. In what TAFEs are doing here—and listening to you, it sounds like you run a pretty good operation—where does commercial necessity end and social responsibility begin? Second-chance education is obviously one. If I was finishing secondary education in Victoria these days, I think I would go and do a university degree and then I would home in and pick the marrow out of TAFE to make sure that I am properly trained for the marketplace. Where are our kids with perhaps lower levels of educational achievement going to end up in the TAFE system? I know it sounds like an ethereal sort of thing but it is pretty important to us.

Mr King—I think that line, that differentiation that you premise the question on, is exactly the same line that exists between society's needs for 'professional', if I use the word in a guarded sense, and para-professionals. The line will change consistently. One of the reasons I suspect we are having the debate, or your inquiry, is that when I went to TAFE in the sixties, it was about apprenticeships and we grew and the trades became so complex that the curriculum content grew and grew and grew. The classic example is the electrician. In the sixties he just changed a light globe; now he is designing printed circuit boards.

TAFE is now engaged in areas that it was not traditionally engaged with, and hence the emergency of an overlap with universities. We are talking about the theory and the knowledge base of why things happen rather than how to fix it. There is perhaps an argument that says TAFE ought to take stock of its core business. Has it projected itself too far? I do not know the answer to those things, but one of the reasons for the grey areas is that TAFE is projecting upwards and upwards. We talk about creep, but that is what is happening, and we need to take stock. I do not know the answer to where the line ought be or who will draw it, other than to say you are right. TAFE is about providing that vocational basis to make people employable.

The differentiation between employability and knowledge will differ between industries, between employers, and I do not think that internally setting that line will solve the answer. It is about industry setting where it has to be, and we just have to responsive. If one employer wants training that is at a level that is different from another employer, so be it. It is a very difficult and vexed question to answer.

Mr MAREK—I want to go back to what Christopher was talking about on regulation and deregulation. If you get yourself in a position where we have TAFEs offering university degrees and those sort of things, and as we talk about watering down the value of a degree and those sort of things, wouldn't you see the universities come back over the top of it and say, 'Well, we'll start taking what you're offering off you'?

Mr King—Yes, they are, but again I do not think that we are seriously suggesting that TAFE ought offer university degrees. What TAFE is saying is—

Mr MAREK—I thought you alluded there a little while ago to where TAFEs were in a position where they are trying to offer a higher education.

Mr King—Look upon the comparison between somebody undertaking a pure arts degree and somebody undertaking the degree in medicine. On paper they are degrees but they are vastly different in knowledge base; they are probably the same in value to the ultimate employer but there is a differentiation. Nobody is suggesting that a TAFE institute ought offer an accredited university course with an accredited university degree.

Mr MAREK—What is to stop TAFE turning around and saying, 'This is what we want to do. We want to start going into that market'?

Mr King—What is to stop them? Probably commonsense, because it is not a market in which they have an experience. What TAFE is saying is that the content of our curricula is worthy of recognition, and that recognition is of similar recognition that is accredited to those undertaking a university course. It is the tag of degree that is being discussed, not whether we can snatch their product.

Mr MAREK—Let me now quickly offer this to you. There are people who could probably get into TAFE, who have poor numeracy and literacy skills, who could not get into university.

Mr King—Correct.

Mr MAREK—Now you might have a situation where the TAFEs might start offering higher education diplomas as the degrees, and therefore those students could then go in through that system and end up with a degree.

Mr King—Only if it was a haphazard or ad hoc approach to the awarding—

Mr MAREK—No, what we are talking about was—

Mr King—That is right. There has to be a regulation.

Mr MAREK—A regulation.

Mr King—There has to be an accreditation system that says the intellectual content of this course warrants—it is exactly the same hierarchy that exists between certificates and diplomas.

Mr MAREK—So it has to stay regulated.

Mr King—Definitely, yes.

Mr MAREK—That is what I am asking for.

CHAIR—Thanks very much, Mr King. We appreciate your time and effort, and if you think of

anything else that you would like to send to us, please do not hesitate to do so, particularly if you hear or read of other submissions or views expressed.

Mr King—Might I ask the time frame for the committee. You are hoping to report to parliament when, roughly?

CHAIR—We would like to be able to report to parliament by about July. Whilst we intend to do things quite methodically, we need to move along. We are in this ridiculous situation of an election cycle again and some of the members, particularly in marginal seats, are particularly interested in retaining their positions, I think.

[11.18 a.m.]

ANDERSON, Mr Damon Lindsay, Research Fellow, Centre for the Economics of Education and Training, Faculty of Education, Monash University, Wellington Road, Clayton, Victoria 3168

BURKE, Associate Professor Gerald, Executive Director of Monash University-ACER Centre for the Economics of Education and Training, Monash University, Wellington Road, Clayton, Victoria 3168

Prof. Burke—We thought Damon could speak to the submission, which he prepared, and I could follow that with some further comments on relative costs of providing education and training across the sectors, which I hope complements Damon's submission.

CHAIR—First of all, I represent the Liberal Party held metropolitan Sydney seat of Bradfield. On my right is Mr Christopher Pyne who represents the Liberal Party held seat of Sturt in South Australia and has a longstanding interest in education, and on my left is Mr Paul Marek, who is Central Queensland, Capricornia, held by the National Party. So, please, fire away.

Mr Anderson—Thanks very much. Essentially the submission, which I prepared on behalf of Monash University for the House of Representatives committee, comprises a review of literature or review of research in relation to institutional amalgamations in the post-secondary education and training or tertiary sector, which was commissioned by the Victorian Office of Training and Further Education, OTFE, for the Ministerial Review of the Provision of TAFE within metropolitan Melbourne. That review has recently been finalised, and the report, including the submission which the centre at Monash prepared, is up on the OTFE web site at present, so it is now in the public domain—in addition to, of course, having been submitted to the House of Representatives committee.

The primary focus of the review is on economies of scale and scope within tertiary education, in addition to other issues relating to critical mass, policy issues relating to mergers, and advantages and disadvantages of mergers between TAFE and TAFE institutes and between TAFE institutes and universities. As I have indicated in the submission there were a number of general findings that emerged from the review in terms of the differences between TAFE institutes and universities, and I have outlined those in the submission and I think they are fairly simple and straightforward and fairly obvious, so I will not cover those again. No doubt you have covered that territory already to a considerable degree with other people.

In terms of the primary focus of the submission to the Ramler review, which was on economies of scale, the literature was of limited relevance insofar as vocational education and training or TAFE is concerned. Very little research has been conducted, either here in Australia or overseas, on the issue of institutional amalgamations and their cost-effectiveness and educational effectiveness. Most of the research that does exist relates to amalgamations in the higher education sector.

The most recent Australian research on amalgamations suggests that most economies of scale are achieved around about the 11,500 equivalent full-time student unit, EFTSU, mark, although I should note that there appears to be a degree of political elasticity in the literature in relation to economies of scale, as a sort of political cross-bar for optimal sizes that has been raised over the years. So, too, it appears the optimal sizes

proposed by economists of education appear to have gone up progressively to reflect the demand from governments for larger institutions. That was quite clearly a trend that occurred during the 1980s, late 1980s, with the Dawkins-inspired amalgamations of higher education institutions. It also appears that where cost savings occurred they were due to scale effects rather than scope effects. In other words, it is increasing the size of institutions rather than increasing the range of activities that reduces costs.

Alternatively, however, there is a substantial body of literature in the United States on community colleges, which are roughly analogous to TAFE institutes in Australia, which suggests that economies of scale are reached at a much lower point than 11,500 EFTSU—they suggest that 3,000 EFTSU is about the optimal size. So there is a wide divergence, in other words, on the question of appropriate size.

As far as the literature on vocational education and training goes, there are essentially three key findings that emerge, and the first is that even within the same institution, average costs for vocational education in some cases actually exceed those in university programs; secondly, unit costs in vocational education are more sensitive to institutional size than those in general education, due primarily to the use of expensive equipment and specialised instructors; and thirdly, economies of scale can be realised in highly specialised institutions at relatively modest levels of enrolment—and there was significant evidence to suggest that that is the case.

I will move on from that issue of scale economies briefly, to two other key issues, which I think emerge from the review of research which are relevant to this particular committee inquiry. The first one concerns the issue of organisational flexibility and responsiveness. Once again I have to say that there are conflicting views and conflicting evidence as to whether large-scale institutions or small-scale institutions are more effective or more flexible and responsive to the needs of students, industry and the community in general. It would appear that a larger number of small institutions provide a quantitative or numerical flexibility and responsiveness in the system. Conversely a smaller number of larger institutions provide the sort of qualitative flexibility and responsiveness which small institutions do not provide. So there is conflicting evidence there.

It would appear that in the private sector there has been a general move towards smaller units of operation, suggesting that in a competitive environment that might be the way to go. However, the interesting trend in the public sector, specifically in education and training, is that it is moving the other way—from smaller to bigger—so there is an interesting difference in direction there. As far as international developments go, two countries in particular—Finland and the Netherlands—have been engaged in large-scale amalgamation processes involving their institutes of higher vocational education and training, which are roughly equivalent to the top level of TAFE, if you like; their diploma level and advanced certificate.

In both cases these processes have aimed to consolidate these institutions of higher vocational education and training into a system of tertiary provision, operating alongside and in effect in competition with university systems. They have actually raised the status of higher vocational education qualifications to that of a degree, in order to provide an alternative pathway or route through from middle level certification through to high level certification, and at a level which is seen to meet the increasingly growing demands of industry for higher qualified technical and para-professional staff.

Interestingly, neither the Dutch nor Finnish experiments have involved mergers between vocational institutes and universities. They have decided quite consciously not to go down that path. They believe that such an approach reduces the flexibility and responsiveness of their post-school system. They are firmly convinced that there is a need for a diverse range of institutions and a dual sector of vocational and academic higher education. In addition to that, the institutes of vocational education in those two countries have taken on a broader range of responsibilities, similar I suppose to what the former CAEs in Australia used to perform, in relation to research for third parties, and a range of other developmental activities.

So I suppose, in conclusion, the literature, as I have said, is rather inconclusive on key questions such as economies of scale and scope. It does mean that proposals to alter the relationship between TAFE and universities via institutional mergers really do require very careful consideration of a whole range of complex issues—not just economies of scale and scope, but also issues concerning flexibility and responsiveness. Those issues are particularly important in the increasingly market oriented environment that is being constructed.

As far as the submission goes, I think that is as much as I would like to say at this stage, but I am happy to answer questions after Gerald has had a chance to speak, unless you have a question now.

CHAIR—We probably would like to ask you a few questions. Is there anything in particular, Professor Burke, you would like to say?

Prof. Burke—Just to round off our content, if I could just quickly say a few words about the work we have been doing on public outlays across the sectors. What this was prepared for was the forum that the Dusseldorp Skills Forum ran in Parliament House on 11 November last year, to look at the situation of youth. One aspect of it was how much is spent on youth as they proceed through various levels, and in doing that, it looked at the data on outlays on government secondary school education, government expenditure on TAFE and government expenditure on higher education.

Briefly, the sorts of figures that you come up with—and they are averages across all of Australia, and any school is different and across states it is different—are these. Roughly the outlay per year 11 and 12 student in government schools across Australia averages about $8,000 per student per annum. That includes the capital costs—you could take off five per cent for capital costs—and it removes the payroll tax. The detail is probably important when you get to comparisons but it is about $8,000.

If you take the average for TAFE, most TAFE students are part-time, but if you take a full-time student who does about 700 hours a year—and they fund on an hourly basis—it is about $11.1 an hour, according to their estimates. It does not include capital costs. It is not quite comparable, but you get about $7,500 average for a TAFE student. If you took a university undergraduate student, you would get about $10,000 per annum. The total for all university students is somewhat higher, but estimates here have removed the graduate students. So looking at it, you have got figures of $7,500, $8,000 and $10,000.

It is a question of what those figures mean, because internally you have got medicine which costs perhaps $17,000 or so per annum to run, using the funding model that universities have, while business studies and law probably cost about $6,000 per annum to run; they are actually cheaper than, say, year 12, because they do not have the science labs and things like that which they have in schools. They do not have the small

classes. That is a particular thing with universities; they have large lecture classes. If you go out to business studies at Monash, you can go in and see several hundred people in a lecture class for two lectures a week for the subject—and one tutorial, if they are lucky, with about 20 students in it. It is a pretty cheap way of teaching, so long as you have got the library backup and the students take on independent study.

In relation to the TAFE students in business studies, it looks as though the outlay for an accounting diploma of, say, nearly 700 hours per annum would, again on their funding model, be around about $6,000 per annum to run, or a bit under. But in that case they are getting 25 or so contact hours per week; they are getting nearly 700 hours a year. The business studies student at Monash will be getting 350 hours in class, of which two-thirds will be in large lecture mode. So there are differences in what is going on in the system.

The point to draw out from this is that you could look through the system and find, say, a business studies course in TAFE that did not look as though it cost all that much to the public purse, and that was all that much different from the cost of provision within a large university. You could then, if you wanted to, go the next step and say: in the university they are recovering a large amount through HECS nowadays which they are not recovering through TAFE, so the cost to the public purse could well be cheaper in some cases.

Now, it is a question of what you make of all that. Some people say, 'Put HECS onto TAFE,' for those sorts of courses, but I think you also need to look at the different purposes of TAFE. They are provided all over the country; universities are not quite as extensively provided. They are provided for people with a whole ability range. The universities can use methods of independent study because they are tending to select from the top level of achievers. I was warned against using the word 'ability' in all of this, but certainly in terms of formal academic achievement, they are taking them from further up the scale.

With TAFEs, if you move into other areas, other than, say, an advanced diploma in accounting, you are getting into a whole lot of areas which require equipment, that necessarily have small classes, that necessarily are hands on; that pushes the costs up. Often TAFEs have to provide trade training for very small numbers of students, particularly if you are talking TAFE colleges outside the metropolitan area. There are all sorts of factors going on behind the actual public outlay figures. Whilst I am throwing some figures on the table, I would recommend extreme caution in interpreting them in terms of any policy framework. I think they are aspects of considering further the different functions of the institutions rather than making too much out of the costs data, even though I spend a lot of time working on that end of the activity.

CHAIR—Thank you very much. Why did the Dutch and the Finns not amalgamate the universities and VET sectors? Would you be able to provide us with any literature which presumably debated that issue at the time of the consideration being given to it?

Mr Anderson—There is a report by the OECD which is actually briefly reviewed in the submission that I put into the committee. I realise it is deep in there and is not something that you would have covered. But I would certainly recommend having a look at the OECD report. I am just trying to find the actual page number of the submission.

CHAIR—I do not think that was referenced in here. It is on page 4, isn't it, paragraph 11? You refer to OECD work.

Mr Anderson—That is right, but it is actually I think in the full submission that Monash put into the committee. There was actually a more detailed review of that.

CHAIR—That is okay, as long as it is there. I did not see it, but that does not mean it was not in there.

Mr Anderson—I am pretty sure it is there. It looks like pages 25 and 26.

CHAIR—We can have a closer look at that. I am advised that what you are referring to is the Ramler reiew, which the committee has received as an exhibit.

Mr Anderson—Yes. But essentially the rationale was that, in either Finland or the Netherlands, they had actually attempted to undertake large-scale amalgamations between universities and higher vocational educational institutes, but they had not been successful. They found that the vocational focus had been diluted and that responsiveness to industry had declined, and they found a range of other issues which are highlighted in the OECD report. In addition to that though, quite apart from just flexibility or responsiveness to industry needs, it was considered that having essentially what was an academically dominated tertiary route through to the work force was not catering for the full range of needs as far as continuing students or post-school students go.

There was a belief that many, for example, TAFE students had the capacity to go on and do degrees. They did not necessarily want to do it in a purely academic environment. They wanted to keep a strong vocational focus, wanted to pursue the original technical field that they had entered, and did not necessarily want to move into a more academic or research oriented mode. There was a multiple range of reasons, and the OECD report is very good in providing a summary of those reasons.

CHAIR—You have obviously looked at the economics of articulation between the VET and the university sectors. What is the difference between a stand-alone TAFE and one that is operating in a dual sector arrangement? Are there significant economic advantages in dual sector articulation?

Mr Anderson—Unfortunately I have to report that there is very little, if any, actual research on articulated TAFE and universities, in so far as the—

CHAIR—Evaluation, yes.

Mr Anderson—As far as the economics of it goes. There was a report by Professor Richard Teese in the recent Ramler review which did examine very closely the broad policy, programmatic and curriculum implications of amalgamation, with a particular focus on the Royal Melbourne Institute of Technology, and that report is probably the best and most up-to-date coverage of those issues.

CHAIR—I presume you would support the Commonwealth and the institutional sector, and perhaps even industry, funding some evaluative research of different models in terms of degrees of articulation and the way they work, to see whether we get better educational and vocational outcomes, whether we get better economies of scale, and so on. Is that something that we should be doing?

Mr Anderson—It is one of the recommendations that I included in the report to the Ramler review. Unfortunately, so far as I am aware, neither the committee nor the minister appears to have put in place a framework to evaluate the forthcoming institutional amalgamations.

CHAIR—That is unusual.

Mr Anderson—I think if you want to undertake such research, now is the time to put it in place. I should also point out that both the Netherlands and Finland have a highly systematic and comprehensive framework for evaluating both the process and outcomes of the mergers in those countries; they are not between TAFE and universities but they are nevertheless large-scale amalgamations. So I do think your suggestion is excellent and timely.

CHAIR—Could you provide us with details of those models, if that is all right?

Mr Anderson—Yes, I could.

CHAIR—It could probably help our inquiry secretary.

Mr Anderson—Yes.

Mr PYNE—A couple of questions. Your faculty conducts research into how education, society and individuals interact with each other. Could you perhaps tell the committee, in relation to university students and graduates and TAFE students and graduates, what effect they have on the society in which they live and work?

Prof. Burke—That is a fairly big question. I do not think there is any easy answer to that. If we took it at the area in which we often research in, our particular centre, which is the economics of education and training, we often look at indicators of contribution to the work force and measures of that, such as earnings that are related to particular qualifications and whether people get a job or not, or the unemployment rate for particular forms of qualifications. From that fairly narrow point of view it is clear that people with post-school qualifications, TAFE qualifications as well as university qualifications, do better in terms of getting jobs than people without them.

The sort of evidence that you pull out from the income distribution surveys suggest that the pay-off to degrees, in terms of extra earnings and the growth of earnings over your lifetime, appears to be better for university than TAFE qualifications. But that needs to be qualified to the extent that the data on TAFE qualifications is really all mixed up in the Bureau of Statistics data; you do not have a clear distinction of different forms of qualifications there. For example, people are always shocked when they see that, according to the Bureau of Statistics, people with trade qualifications do not appear to earn much more than average earnings, but I think you need to get behind that because we know that if you try to get a plumber they cost quite a lot. You need to get to particular qualifications and see what people who would see themselves as having trade qualifications for the Bureau of Statistics really had, and the sorts of jobs they were working in and whether that reflects the award system of wages we have had in the past as distinct from their real contribution to production. There are a whole lot of issues in there.

In terms of the broader contribution to society, of course that is what universities have always claimed on a very important scale in terms of research, contribution to society in general—a contribution to government. We usually find a lot of people with post-school qualifications in all sorts of government areas. That claim is one of those sorts of big issues which in a sense is very difficult to support precisely by evidence. Particularly we talk about the preservation of values in our society and commitment towards democratic ideals and liberal ideals and so on that are supposed to be fostered by free-ranging education that the universities argue they are committed to.

I think we should not neglect the extent to which TAFEs are also committed towards a broader education for the people that undertake training within those institutes. I think that is one of the worries as we tend to push some of the training of the vocational education and training area into specified areas of competencies. Are we in fact getting the holistic big picture, the socialisation that goes with the training for professions and trades that comes with some of the earlier forms of training?

One approach that comes to mind is the German dual system of apprenticeship where a very large proportion of the population leaving school go into an apprentice situation where they are not just acquiring the skills of a carpenter or the skills, in their case, of an accountant because of the range of trades they have apprenticed. They are also working with a senior person in that area and are acquiring the values and ethics of that activity as well. I am not sure that you can always capture that with an assessment based on competencies, however acquired.

Mr PYNE—Does your faculty measure the employability of say someone who has done a liberal arts degree vis-a-vis someone who has done an architecture degree or someone who has done vocational education and training at the TAFE, and can you elucidate what those findings might be if it does?

Prof. Burke—No, our faculty as a whole does not do that. As I said, our centre is actually a cross-faculty centre where we are linked with the Australian Council for Education and Research. One of the people in our centre has done what we call rate of return studies but he has not got to specific faculty studies in that work. It tends to be aggregated work because the sort of data that you can get from the Bureau of Statistics, unless you do specific surveys, is not sufficient to enable you to do that specific work.

CHAIR—One of our concerns is that we are heading towards a society where everybody is trained and nobody is educated, and whatever we do with our inquiry we want to make sure that we recommend to the government something that might actually slow that down a bit. A competency based skills assessment is something—one of the people that spoke to us suggested that it might be encouraging a culture of mediocrity in not only VET but university education with close reticulation between the sectors.

Prof. Burke—I think it is necessary for people to acquire the competencies to work in their area and I think that is endorsed by everybody. It is a question of how you go about providing the education and training which leads to the acquisition of the competencies and whether that is all they acquire, those ones that are specifically measurable. With one of the people who were involved in projects recently, people providing the vehicle industry certificate, I know the way they work is to go into the motor companies and to provide their training; they try to look at the workplace these people are in and that workplace in its broader industrial and economic setting. They talk to the people that they are providing the training for, look at their previous

educational levels and their aptitudes.

They devise the course of training for them and present it, and then they think about whether they have achieved the competencies. They go ahead and assess them for the competencies and make sure they acquire them but that is not what drives the way in which they go about providing the training. They do not start from the competency standards and work back to little bits of training that are then provided and directed only at those competencies. Competencies themselves I think are fine and ought to be pursued but it should not be at the expense of the broader base of the training that is provided.

Mr PYNE—Just two quick questions. The first is: doesn't the fact that your faculty measures the employability of people from both TAFEs and universities in the work force tend to indicate what you think is the purpose of universities and TAFEs? Secondly, do you think, as a faculty of education, looking into the purposes of education and its interaction with society, that there has been an unwarranted blurring between universities and TAFEs to the point where universities are losing their focus and TAFEs are changing from the purposes of their core reasons for existence?

Prof. Burke—On the first thing I keep making the distinction with our Faculty of Education because, within that Faculty of Education, the only group that would be doing that sort of work would be the Centre for the Economics of Education and Training. Given that we include economists and economists do look at these sorts of issues, we say this is only a part of the picture. It is a question of whether, insofar as you research that, you imply that the rest of the picture is not important, and we do not think that; I do not think anyone does.

Often people ask for evidence about these sorts of things and that is one of the reasons for doing the research. But it is part of the information to put on the table. We are concerned about whether education and training is relevant to the job market and I think it is perfectly reasonable that we should be concerned about that. So that is one of the things we do look at.

Whether in fact universities have moved more in the direction of TAFE, I think it is a broad issue across the whole education sector that it has become more and more oriented towards the needs of the workplace, and the needs of the workplace defined perhaps too much in the short term and too narrowly. But I think that applies to an extent to secondary schools—not nearly as much of course as the press that has been going on in other areas.

Mr Anderson—I would like to just diverge from that a little bit. I am not actually a trained economist; I am a historian and sociologist, so my skills and interest, research interests, are a little bit different. As far as your committee is concerned, I think there are some really fundamental issues which are not in the submission that we put but which I do think need to be considered.

First of all I think that at present there is an almost total lack of a clear and well articulated vision of a TAFE system which serves democratic, equitable, inclusive and socially relevant ends or objectives. I attribute this in part to the lack of vision on the part of our policy makers who by and large have become absolutely transfixed with the myth of competition and market orthodoxies. They really have lacked the political will and

social imagination to articulate a clear vision, a socially relevant vision for TAFE into the 21st century, and therein lies the fundamental problem in so far as the confusion that surrounds the role of TAFE at present.

Related to that I think vocational education in general, not just TAFE, is presently constructed or premised on two erroneous myths. The first is the myth of employment, and this is that first of all vocational education and training should be concerned with work preparation and equipping students and trainees with the skills required in the workplace and the labour market. This particular myth of vocational education for employment—or work education and training I would call it, not vocational education and training which is much broader—is erroneous for two reasons. Firstly, a significant proportion of TAFE graduates, usually the most disadvantaged, are not destined to enter the work force, certainly on any long-term basis, and secondly, many are destined to enter casual or voluntary employment because of structural unemployment and underemployment.

In effect, what that means is that VET or the TAFE should prepare students and trainees for not just work but also unemployment and under-employment. That does not mean adopting a pessimistic and defeatist approach; it means adopting a realistic approach, and recognising that people in TAFE require skills much broader than those required by employees in the workplace. They require skills to equip them for conditions of unemployment and under-employment. They require the capacity to be resourceful and to survive; they need survival skills; they need social skills and a whole range of other skills.

Secondly and relatedly, vocational education and training is premised on the myth of ongoing economic growth and development. This reflects the fundamental failure of our VET policy makers to recognise the need for ecological sustainability. If you look at VET courses, the only accredited VET program that I am aware of across Australia which relates to the issue of ecological sustainability is the diploma in resource management. So far as I am aware, this is almost wholly concerned with encouraging resource management in promoting economic growth and development as opposed to sustainability. So in effect I think VET courses should be concerned with imparting the skills and awareness to conserve and regenerate, not simply to develop and exploit, our natural resources.

I think they are two key myths, and there are other dimensions of that myth. The myth of employment is based on the assumption that the vast majority of TAFE students go to TAFE because they want skills for work. In the majority of cases that is true, but the reality is that they also go to TAFE with a whole range of other objectives which are not necessarily related to work, and certainly not related to their particular job. They may in fact go to TAFE to change jobs, to change careers, to gain skills for use in community work in voluntary capacities—a whole range of skills which are not necessarily related to their specific work and the specific needs of their current employer.

Mr MAREK—There is nothing wrong with that, though, is there?

Mr Anderson—There is nothing wrong, of course, with equipping them with skills for the workplace, for employment.

Mr MAREK—Or for somebody to be able to go to TAFE so that they might want to become a secretary in somebody's business, so they can pick up secretarial skills, if they were a chef last week.

Mr Anderson—There is absolutely nothing wrong with that, no. What I am arguing is that TAFE needs to recognise the diversity of objectives, of individuals who do enter TAFE, which extend well beyond the workplace. A large majority of TAFE students, while they may aim to become secretaries or supervisors or something else in a workplace, may actually find that they do not have a job at the end of their course, or cannot get a job; therefore they need to be equipped for that period of their life following TAFE graduation, where they do not enter into the work that they hoped to, but have to survive.

Mr MAREK—So you would probably go along with the notion of somebody wanting to do, say, a full-time trade; they might want to be a fitter and turner, or a boilermaker or something or other, but they do not have a full-time employer. If you do not have an employer how are you going to learn a trade? How do you feel about that?

Mr Anderson—That is the reality of the labour market. If there are insufficient employers willing to take on apprentices, that is the beginning and end of the story, unless government is prepared to create such jobs.

Mr MAREK—But going back to your vision, talking about TAFE and looking at further things, wouldn't it be great for somebody who wants to go into TAFE and, say, be able to go through the HECS scheme in TAFE and pay for their own education, to do an apprenticeship as a fitter or whatever in TAFE, and then once they are trained—they have got their qualification—they then go out there and try and find an employer who is prepared to take them on? Because they are already trained, there is going to be no expense to the employer.

Mr Anderson—You are assuming that an apprenticeship could or even should be delivered entirely out of the workplace in a TAFE institute, and yet the direction over recent years has been totally the opposite way. They have been taking apprenticeship and traineeship training out of educational institutions and putting it into the workplace.

Mr MAREK—We have to change; we have to substitute, don't we?

Mr Anderson—There are pre-apprenticeship and pre-vocational—

Prof. Burke—Yes, which cuts the amount of time you have to spend on apprenticeships, so there has been some extension.

Mr Anderson—There is some of that, but in reality it is highly unlikely that that is the way apprenticeships will go. I would think that employers would be more likely to employ those who have had experience in the workplace, particularly their own workplace, rather than a graduate who has come out of three years full time in a TAFE institute. I think they would be highly uncompetitive. I doubt by and large that—

Mr MAREK—What is the difference between that and somebody who just been four years or six years in university? They have got no hands-on experience.

Mr Anderson—The difference is that the university qualification, by and large, offers much greater flexibility in the labour market, whether you are talking about law or arts or science, than does a very highly occupationally specific qualification in fitting and turning. That relates to the labour market value of credentials and it is much higher for university graduates than it is for TAFE graduates.

Mr MAREK—You will go out there and you will talk to the everyday person on the street and they say, 'We pick up the newspaper and it says there is a job for a fitter and turner, but must have experience. How am I supposed to get the experience if I can't get the job?' What is wrong with the ability of TAFE being able to give that person experience? If I am prepared to pay for it, I am prepared to spend my money and go to TAFE, do an academic apprenticeship and then go out there into the workplace, what is wrong with that?

Prof. Burke—It is good if people can acquire the skills by various means, and that is one of the objectives of the people who have been pushing competency based training—that however you acquire the competencies, if you can front up and show that you can meet the standards then you can be recognised and given the qualification.

CHAIR—Yes. I think Mr Marek is talking about a proposal put to us by the Business Council for a non-indentured training program where the trainee is not attached to any employer.

Mr MAREK—I was just trying to see what your opinion was.

Prof. Burke—No. I thought that was implied when we moved to competency based training—that you turn up having acquired these competencies and say, 'Now assess me; give me the qualification at the end. It doesn't matter that I haven't been indentured.' But the problem is that they still—and even more so than the current apprenticeship—are lacking experience. That is the problem that you have still got there—and they seem to be a long way behind. TAFE can give them the courses.

Mr MAREK—That is right. Exactly.

Mr Anderson—To get back to the economics of it, that has huge economic implications for government, because it means the government will have to look very seriously at the heavily under-resourced and under-equipped state of many trade and technical facilities within the TAFE sector. It does have huge ramifications and resource implications for government, should government choose to go down that path. At present, in effect, government is attempting to shift trade and technical training out of publicly funded institutions into the workplace, and there is some sense in that because the rapid changes in technology and upgrading of equipment does becomes a very expensive exercise for governments, constantly upgrading the specialist technical facilities and equipment in a TAFE institute. Rather than do that, why not place them in the workplace where the employer, of course, is naturally upgrading their equipment and technology in response to competition in the marketplace and, at the same time, training the apprentices on the equipment they will be using once they graduate.

CHAIR—We need to finish, but thank you very much for that. It is very interesting. I suspect that you and Mr Marek might be at completely opposite ends of the spectrum on some issues there. The whole

educational sector does not deal well with life skills education generally, which I think is what you are talking about in terms of TAFEs. Would you give some thought to perhaps writing what you would consider to be an appropriate vision statement for TAFEs, which perhaps includes those concepts. They would not be easy things to explain to TAFE people, let alone sell to them, but I would be interested. We obviously need to give some thought to what a vision statement might be for this whole sector.

Prof. Burke—It may be that there are a lot of people within TAFE who would in fact be quite sympathetic to that but the pressures that have been on them over the last few years have just, in fact, forced them to take a fairly narrow line.

CHAIR—Yes. Unfortunately the reality is that a lot of Australia's young people in particular will be unemployed for a period of time, irrespective of who is in government, and many are not prepared to deal with that. Whether the TAFE sector or secondary education sector or anywhere else is the right place to deal with it, we do not know, but I would be interested to see what you could propose. Thanks very much for your time and thought and effort.

[12.05 p.m.]

BEANLAND, Professor, David George, Vice-Chancellor, Royal Melbourne Institute of Technology, 124 Latrobe Street, Melbourne, Victoria 3000

CHAIR—Thanks, Professor Beanland, for not only preparing a submission but actually coming along to discuss it with us. It is not always the best experience, fronting up to a group of parliamentarians to talk about these things. I represent the Liberal Party Sydney metropolitan seat of Bradfield. On my right is Christopher Pyne who has a longstanding interest in education issues, and holds the Liberal Party metropolitan Adelaide seat of Sturt; and Mr Paul Marek, Central Queensland, who holds the seat of Capricornia, which is a National Party held seat. If you could introduce yourself and give a five-minute precis of your submission and then we will discuss it.

Prof. Beanland—Thank you, Mr Chair. I am very pleased that the House of Representatives is interested in looking at the issues of TAFE. I think it is most appropriate that that occurs. I will be pleased to help in any way I can. I do not wish to really reiterate any of the points in the submission. It is there and it stands.

I want to underline that RMIT is a university which contains a higher ed and a TAFE sector, and so we have a lot of experience in dealing with both. It has effectively dealt with both those types of education in its various guises for 111 years now. We are well aware of the difficulties that are caused by the TAFE system and the higher ed system having incompatible rules and practices and policies, and that causes us a lot of inefficiency. I think we are in a good position to see these factors because we have approximately 10,000 equivalent full-time TAFE students and about 22,000 equivalent degree students, so it is a big organisation across a lot of fields.

We are trying to get those two sectors to work together much more closely. My starting point would be that any post-secondary education has got to be seen as part of a system of people and skills development for our community. But we put a great big line down the middle and say, ‘This is TAFE and this is not TAFE.’ We do it for a variety of reasons, but the work force does not work that way; companies do not work that way. They are actually dealing with people and employees. I quite agree with some of the comments that I heard from the previous speaker, that one of the difficulties of TAFE is that it has not developed the broad-based skills that people need increasingly in any employment situation, and focusing on the lowest level of skill required for a job is not the way to develop the work force that we need. I have a strong comment about that.

Our vision is that education is about developing the human resources of the community to the maximum of their potential, consistent with what the individual objectives are. That is how we approach it, and we think there should be opportunities for people to change direction, to add to their knowledge throughout their life. But TAFE is far more inflexible in that it has constraints about the curriculum which I believe ought to be more by way of general guidelines in allowing people to add to that with local effectiveness so that you meet minimum requirements and that they are not final requirements.

You were talking about the general skills; the TAFE system some while ago developed the key

competencies that would be expected for all people in TAFE. In my view they are not well developed in TAFE programs at all, and if they were we would be a lot better off. I also believe that we have got a system that is focusing on the skills of the present and the past, instead of the future, that it is not world class in its facilities or staffing, so there is a lot to be done to lift TAFE into a new level if it is going to serve us well. It is an important part of the community.

I do not also want to have the extrapolation that all universities should work closely with TAFE. Some of them have clearly got missions that are incompatible with TAFE. Some have missions that are compatible. RMIT is only in vocational education, and it happens to go from apprentice to PhD. So all our programs have got real employment relationships. It is using 'vocational' in its broadest sense. Those are very open and challenging programs at the higher levels, and we believe that allowing the compatibility and flexibility for people to learn from one another and to develop and to share facilities across the TAFE and higher ed sectors, as far as places like RMIT are concerned, could improve our efficiency dramatically.

At the moment the TAFE is a system that is managed by state policy; the higher ed is one which is run by Commonwealth policy. We have different accountabilities, different rules, different funding of our facilities, different employment conditions for staff, and it creates a nightmare.

About 10 per cent of the students entering the higher education section of RMIT have come from TAFE. It is a bit more than that; we actually set that as a minimum. So it is a considerable number. And of course you are well aware that people move the other way as well. So they should, when there is a good reason for them to learn something that is available through the TAFE sector. Or it could be that they have not made the grade in the higher education sector. That is perhaps enough to let you go where you wish with the questions.

CHAIR—This is perhaps a mundane issue, in a sense, but with the dual sector operation that you are running, do you have industrial issues?

Prof. Beanland—Absolutely.

CHAIR—Everybody does, I suppose, but the awards under which your university appointees are paid are different.

Prof. Beanland—Absolutely.

CHAIR—Could you just perhaps give us some insight into the nature of the problems, and what you think we could consider recommending that might help to deal with it.

Prof. Beanland—The higher education awards are for all university staff, and it covers the administrative and academic staff in various categories. We have to put all the administrative staff on those awards, and they are not too different from the administrative awards for TAFE staff. But an example is that if we have a negotiated pay rise for the higher ed sector, then for all the administrative staff that will in fact flow through to those who are administering the TAFE sector. So we do not finish up getting the appropriate escalation of our funding from the state government at that time, or at the same level.

The TAFE staff are operating under awards which are completely different, and the salary rises and conditions are negotiated by the state. In those cases, they are built on a very prescriptive base of how many hours you should be available to do various things. This is a very great restriction on the university, because we really want people to be flexible on how many hours they will use for what. So it is constructed in completely the wrong way, because a lot of the contributions of teaching staff are difficult to quantify in that it is just classroom time. We want them to pitch in, in all sorts of other development programs.

But the nature of that state award for TAFE staff is very prescriptive, limiting, and negative in getting a major contribution from staff. Our view is that the only way it can be resolved is that all post-secondary education is either state or federal funded, and they have this concept that they are part of one system instead of two completely incompatible systems.

CHAIR—Yes, we have heard that before, and there is certainly argument for that in a few other sectors as well. You mentioned that you feel that the VET courses through TAFE are basically focused on the present and the past, and not nearly enough on the future. Could you just expand on that a bit?

Prof. Beanland—The emphasis on competency to do a task is a definition of how those TAFE programs are constructed.

CHAIR—Not very economical at the end of the year.

Prof. Beanland—Exactly. And those competencies are all in the present. There is nowhere near enough attention to how things are changing into the future, or on the development of the person and their personal skills. A lot of the jobs that people undertake in the work force require broader skills than those narrowly defined competencies. Everybody is in a situation where they have got to supervise others, or be involved in IT or things like that, and that is just not taken into account. That is what I mean.

Mr MAREK—From that I guess what you are also saying about TAFE is that it needs to broaden its curriculum, that it has probably got too much of a tunnel vision type system.

Prof. Beanland—It has given priority to the lower levels of industry training.

Mr MAREK—That is right, like a fitter and turner.

Prof. Beanland—Exactly.

Mr MAREK—They teach you to stand in front of lathes, turn on the lathe, turn the handle, lift the groove, and the job is finished, and you have passed, rather than broadening it and explaining why.

Prof. Beanland—Exactly. Sooner or later those people are going to be expected to take a more supervisory role in that company, and you have to start again. They have not been oriented to that, and I think that is putting it in context. I will give an example that I am well aware of. The textile industry, which recruits nearly all its staff from the TAFE textile programs, because there are virtually no textile degree programs—it is sort of a subset of lots of other things—has two per cent of its work force with a degree, and I would

suggest that that is not a good figure in this current day and age. But that is what happens. Because the people are recruited to senior jobs through the company, they are not bringing the right sort of background into those jobs.

There has to be more ability for people to progress, to not have to start again, to articulate on, and to have greater depth in our programs. I think we have actually, over the years, gone backwards in the technical and skill depth of our technicians. That is because the post-secondary education has got longer, the total TAFE training has stayed the same, but the amount of technical content for, say, an electronic technician has gone down dramatically. They are just not competitive with electronic technicians anywhere else in the world.

Mr MAREK—When you go through TAFE and you might be doing a trade or something like that, some of the teachers are still teaching the same system that was taught 20 or 30 years ago.

Prof. Beanland—Absolutely.

Mr MAREK—It really holds a lot of the kids up and they lose interest in what is going on.

Prof. Beanland—Absolutely. Yes, I think there is a serious question about TAFE teaching skills and the facilities.

Mr MAREK—Would you say that it is only in some areas or in some states, or would you say it is across Australia?

Prof. Beanland—I would have to say I do not know enough about the other states in detail. RMIT has had a role, seeing as it is in the centre of the city, of being involved in some of the specialised things that other people do not do. I can tell you that those are not current, and yet they are meant to be the one-offs. So things that have gone into the majority of TAFEs are the more standard things, like electricians and builders, and the facilities are not all that sophisticated. But we have got, for example, the responsibility for training people for the foundry and casting industry. That equipment has not been updated since 1970. That is just ridiculous.

Mr MAREK—In your facility you are a TAFE and a university in one, are you?

Prof. Beanland—Yes.

Mr MAREK—So therefore somebody would have the ability to do, say, a degree in engineering with your operation, and still start off as a fitter and turner?

Prof. Beanland—Yes, that is true. We have generated those pathways in spite of the TAFE system, and not because.

Mr MAREK—But you do not have TAFE teachers or TAFE people working—

Prof. Beanland—Yes.

Mr MAREK—You do have TAFE? Everybody who works in your operation is not on a salary package? They are not tied up with the industrial rigmarole of a normal TAFE, are they?

Prof. Beanland—Yes, they are.

Mr MAREK—They are?

Prof. Beanland—What happened in Victoria was that originally they were all employed by RMIT and then about 15 years ago all the TAFE staff were employed by the state, centrally. So they were taken out of being employed by RMIT. About four or five years ago they were given back again, but in the meantime the conditions and the awards were made hopelessly restrictive. So it was big progress!

Mr PYNE—The RMIT is a unique institution in terms of Australia's higher education sector.

Prof. Beanland—Yes.

Mr PYNE—Being a TAFE or a college of advanced education and TAFE and everything else originally, and now a university with a very significant TAFE component, probably dual institution is the best way to describe it.

Prof. Beanland—Yes.

Mr PYNE—So how does a vice-chancellor of an institution that is so unique maintain the focus of the two different streams in a university like RMIT, when TAFEs and universities have quite different missions?

Prof. Beanland—When you define them the way that I define them, they are actually compatible to our one mission at RMIT, which is to develop people for technical, professional and employment objectives, and to be involved in research that is related to real-world problems. That is a summary of RMIT's mission. That is compatible at whatever level. So it starts off with respect for education at all levels and for all purposes; it is post-secondary, being valid, and, in our case, compatible.

These people are going to be working together in part of a staff team, the graduates, whether they are from degrees or from diplomas, or apprentices, so we do not see it as a problem. It is a personal choice as to what they do, and it is a matter of matching the requirements with what industry wants. We are very much about relevance in education, and that extends across both sectors. But I repeat that that is not a fair expectation for all universities, many of which have a liberal view of education—that education in its own right is what people are doing, and that if they happen to be employable that is a good outcome. I think universities are shifting towards where RMIT is at, but we have been unapologetically there all the time, and it is compatible across both sectors.

Mr PYNE—So you would say that RMIT would probably have more in common with the TAFE sector than the rest of the university sector?

Prof. Beanland—I think it depends on how you use the term 'common'. I think you would say our philosophy is compatible across both, but that is not to imply that the degree programs look like TAFE programs.

Mr PYNE—But if the philosophy of RMIT is to train people for education, or give people education for skills in life, as well as skill development for jobs, and the attitude of a university like, say, Adelaide University, or UWA—just to take it out of Victoria—is to not train people but simply to provide learning skills and benefit society and the individual through a university education, how are you compatible with both?

Prof. Beanland—It is really quite simple, and I do not think that it is invalid that those universities are different. I am not wanting to say that. That role is valid, and it is different from ours. If you take an example, if I can pick one out of the air—so it would be aeronautical—if we learn about the theory of flight, the mathematics and so forth, then in Adelaide it might well be done because that is a very interesting topic and something that people would find a challenge, and open ended, and it would be useful to learn about it.

From RMIT's point of view we are learning about it because the aeronautical engineers are actually interested in, firstly, being able to design aeroplanes and, secondly, being able to maintain them and be responsible for the integrity of the structure, and so on, and this is all very pertinent to it. So if they are looking at analysing the structure of the plane, they will know what the forces of flight are actually doing to the plane. It is going the extra distance and putting that very important basic knowledge in the context of how you are going to apply it that is what is different at RMIT, and that is why people come there.

Mr PYNE—Do you think, then, that the original amalgamation and RMIT becoming a university was necessary?

Prof. Beanland—Absolutely.

Mr PYNE—Why?

Prof. Beanland—Because the public had no idea of what a college of advanced education was, and the discrimination between the then 19 universities and the colleges of advanced education was based on prejudice only, and what we needed was a system that accepted that there was a different sort of education. It was a division on prejudice. What we have moved to is a program of educating people more broadly, and it was not appropriate to separate it out on that historic basis.

We have had degrees in RMIT from the end of the 1960s. We did not actually convert our programs; we were just being given recognition. We were running doctoral programs. The irony of it is that nothing changed when that happened, except that we were accepted more validly in the community, and that prejudice against us was a terrific thing to remove.

Mr PYNE—Does RMIT offer a liberal arts degree, for example?

Prof. Beanland—No, it still doesn't, and it won't.

Mr PYNE—Right.

Prof. Beanland—It does have some liberal studies, but that is to help in the development of people for their various professional roles.

Mr PYNE—So the RMIT is really probably the only institution in Australia that would have, as you have described it today, a mission or a vision about what it would be doing quite different from most universities, because most universities offer a liberal arts degree.

Prof. Beanland—There are some that share our views in some areas and not others. I think we are trying to be the most different on that spectrum of universities. We are unapologetic about it.

Mr PYNE—I am not criticising the RMIT.

Prof. Beanland—No, I am saying we are definite about it, and we are trying to be the most relevant of all the universities, because we believe that is what we need to be.

Mr PYNE—And you say 'relevant' because you are talking about the training of people for society and for jobs, et cetera, but a lot of other universities would argue that they are just as relevant because they are trying to change or improve society through a university of learning.

Prof. Beanland—We do not resile from an objective of trying to improve society. What we are trying to do is have people well able to perform in that society so they can help it advance. I am not criticising their approach, but the community needs a diversity of approaches. There are plenty of technological universities that do what we are trying to do, and Australia needs to have that strength of purpose that we have. There is a question about which way universities are going in the future, and there is no doubt that they are going to move much more towards the RMIT end of the spectrum than the other end.

Mr PYNE—When the amalgamation came, did you see that as an upgrading to a university?

Prof. Beanland—You have combined two things: reclassification of the title and standing or amalgamation. I am not sure which you meant.

Mr PYNE—When the RMIT became the university.

Prof. Beanland—Yes, that is not to do with amalgamation.

Mr PYNE—Did you see that as an upgrading of the RMIT?

Prof. Beanland—No, I see it as a recognition. That is why we kept our name and did not change it. It was a belated recognition of an acceptance that was already there and an ability to play on a level playing field.

Mr PYNE—Wouldn't it have been better for people—employers and other academics and society generally and potential students—to understand that RMIT was just as good an institution and just as useful an institution when it was RMIT as it is as a university?

Prof. Beanland—But it is still RMIT. All that has happened is that it has been accepted that it is operating at that level. It is a very strong word, and if you have got to keep explaining when they write in any government article, 'This applies to universities,' and then you have got to add RMIT on it, it is just ridiculous. It is a university. It is a descriptor of a place that gives degrees. We just would be out of step. I do not know quite why you are going this way because this is an issue that is 20 years old.

Mr PYNE—I know. I am a bit of a classicist when it comes to these things.

Prof. Beanland—Okay.

Mr PYNE—I understand that it is out of date. I do not think necessarily the changes have been for the better.

Prof. Beanland—I think they have been dramatically for the better, because we have been trying to broaden education in the community. There is still a lot who would hanker for the days when it was the elite only that got it. That is just not the way for us to progress. That is part of what the criticism is about; we look for the old days when there was only this sort of university. I think that was completely inappropriate.

Mr PYNE—What did you think of Roderick West's review of higher education?

Prof. Beanland—When it gets to coming up with something that we might do, it will be worth discussing. At the moment it is a bit of a hotchpotch.

Mr PYNE—I am not entering into this discussion because I want to have an argument, but the purpose of the inquiry is to elucidate whether what has happened is good and whether it should continue, and so on.

Prof. Beanland—I think that has been an excellent change from RMIT's point of view. You might argue that we have too many. That is another question. However, in areas of education, it is very hard to say you are going to have too much, because that is the way in which the community of the future is going to move. It is going to require people to know more about all sorts of things for whatever role they play.

CHAIR—Professor Beanland, I have two questions, just picking up on things that you have said. You mentioned one industry that had only two per cent of its work force with degrees. My understanding, from what you have said, is that that implies that there is only a very small proportion of that work force that actually has an education as well as a training, in the sense that they are perhaps a little more rounded individuals who would be capable of doing tasks other than simply specific things for which they are trained.

One of the concerns that we come up against is that young people especially feel that, if they do not have a degree, they are less employable or they are less worthy individuals—you know, all that sort of stuff. How then do we address the problem that I believe you correctly identify, yet not place unnecessary extra

pressures on young people to pursue education which might be of questionable benefit to them and the rest of us.

Prof. Beanland—I think that is an excellent question and really gets to the nub of it. It goes back to my comment that post-secondary education ought to be a system. It seems to me that is a realistic view; that people do want to aim at a degree as a first option because of a variety of issues of how our society operates. It is certainly true for Asian societies as well. I think we would do better to attract people into the more applied education that TAFE gives, if there were clear pathways available to them at a later time, so that they can actually see that they can do this, that they can then get recognition to go on.

TAFE made a very major mistake about 25 years ago where it designed all its programs as terminal and not articulated. We have been trying to patch it up to turn it into articulated, but that was a major setback, a major mistake. I think we would be able to sell it, if it was part of a system that you can see yourself progressing at appropriate levels according to your need, interest, commitment and ability to contribute.

CHAIR—Certainly, having been an employer myself—and we are employers now; we use the taxpayers' resources to do it of course—but in culling people for jobs you get a hundred CVs, you go through—

Prof. Beanland—Exactly.

CHAIR—and you know that, if somebody has a degree, that implies a certain level of education, self-discipline and—dare I say—intellectual capacity, although that does not always correlate. Then if they have a subsequent VET course you are really honed in on it. How do we develop a further education model which perhaps start to change some of those cultural values? Under the present system to get into a university degree, you have got to have a certain level of educational achievement. You certainly have got to have done year 12, by and large, and then you will have others.

Mr Marek probably will not mind me saying that he is a very intelligent individual who would not have gone through that sort of system. He has actually been more successful than most of our colleagues in life. How do we develop a system that enables a person at a middle level of secondary education, perhaps, to do some VET and then subsequently end up back in the system? Perhaps that is unanswerable.

Prof. Beanland—No, it is another good question. I will give you an example of what happened about a week ago, and that is that representatives came from a particular TAFE college, which is a country regional city, and said, 'We are very concerned to keep as many people in the city as we can. We offer them a good range of education, but we realise that the pool of university study is significant.' They want us to be able to join with them in advertising their programs as leading to entering into an RMIT program after their TAFE program.

I think that is a good way to go. The pool of the local programs is there but it is not seen as a dead end. You have got an option to go further after you have done it. It might be two years later; it might be immediately. It is when you require. I think we have got to have more of that, that the systems are there and laid out. That is much better done in the United States, where it is a very common system of community

colleges doing mostly two-year programs, and there are routes for those people to join into the university stream after that.

I think that would simplify life somewhat. I have been advocating the use of associate degrees for that purpose, which is what the Americans use, and I think that would be also a very attractive objective for TAFEs to be able to offer—an associate degree level. I think it would be disastrous, with their current facilities and staff, to contemplate that they consider bachelors degrees, and I think you would get a repetition of the past where they tried to copy CAEs and become universities. We do not need that. TAFE education is important for its own purpose. If you have got a compatible top on it, it actually can help people move into universities after that without detracting from their education. I think that is a much more realistic solution.

CHAIR—The last thing that I would like to ask you, and then Chris or Paul might want to ask something else—and you are right; you know much more about all of this than any of us—is how we develop a funding system which encourages TAFEs to be providing courses which are about the future as well as things at the present. Is there a model that would enable us at the late part of the research and development of a particular product or the development of a new industry and the knowledge base things which are going to be important, or already are, parts of our economy, particularly in that global economy?

Is there a model that both industry, research organisations and governments could develop which would give TAFEs the flexibility and, say, RMIT for example, the flexibility to tap into a pool of funding to say, 'Here is a technology or a service or a skill that is not in very high demand now, but we can see that it is likely to be,' and very quickly put something together and be offering it? Should we have the inflexibility of bureaucracies in saying, 'Well, look, you know, the budget is this, the budget is that. You've got to spend it this way'? One of the good things the government did in small business was a small to medium business technology development program. We put in $130 million, dollar for dollar with the private sector. Perhaps something like that would be good so that there is a pool of money there that is floating around that you can tap into if industry researchers and trainers are convinced that it ought to be required. Have you any thoughts?

Prof. Beanland—You are right. Certainly, that flexibility is not there in the current system and it would have to be stressed on ANTA, where they are controlling the new course money, that that was an objective. It would be inconsistent with their past practice but it would be a good idea. I will give you a couple of examples. The multimedia industry is probably our newest and an important area, where we have got to have people with those skills. We have been doing it for quite some time. We started as computer based art, and it was tolerated and we had a little bit of that, and we have been able to convert some of those programs and some of our other fields to develop a reasonable cohort of multimedia people. The majority of TAFE systems have not been able to respond and there is nowhere near enough people for that industry.

Another example was the one that was spoken about with the environmental industry. TAFE has been extraordinarily weak in that and yet it is an important factor for a whole range of companies, let alone those that are working in that field or government policy or whatever else. Another one that I am aware of is that there is some talk about Australia doing things in micro-electronics. The sad thing is we would have no technical skill at technician level for that at all, and yet there are some companies that could be using that now and it is actually going to constrain our options for the future. We have to be very flexible to move into those things quickly. We have got a Korean based company starting to get us to try to train staff to get ready to do

that. This is all done in spite of the system. It does not allow us to move, unfortunately.

CHAIR—So what could we recommend to the government that would make it easier? If you would like to you can take that on notice and then give it some thought and perhaps drop something back in to us.

Prof. Beanland—It seems to me that TAFE has got to throw away its commitment to all being lower level skills and have some high tech centres that actually can be the base of training in these new developing fields. They are not going to spring out impossibly quickly but particularly the IT ones and the molecular biology fields are the two big technologies of the future. There would be nothing in TAFE in molecular biology, and their IT areas are fairly hopeless.

CHAIR—Torrens Valley, Adelaide, are getting out of entry-level skills.

Prof. Beanland—That is terrific to hear.

CHAIR—Yes, and perhaps there needs to be some further rationalisation along that line, but if you can give it a bit of thought, it is very important, not only for training people that is going to lead to employment but for our social and economic development, apart from anything else. If you give some thought to that, that is something useful that we could perhaps do. Chris, have you got anything else?

Mr PYNE—No.

CHAIR—Mr Marek?

Mr MAREK—I am rapt.

CHAIR—Mr Marek has already written the report in his mind, I think. Thank you so much, Professor Beanland. We are very grateful to you.

Prof. Beanland—You are welcome, Chair. If I can be of further assistance, don't hesitate.

CHAIR—Yes. As I just said to the previous witness, vision is not something that is spoken of in kind terms often these days. Could you also, in thinking of that funding issue, provide us with your vision statement for the general VET sector, in particular. I think we might have to put our minds to producing one.

Prof. Beanland—Yes, I think it might be different from the previous one.

CHAIR—Yes. I will not comment on that. Thank you.

Proceedings suspended from 12.40 p.m. to 2.00 p.m.

GEORGE, Ms Antonia Newton, Associate Director, Social and Applied Sciences, Kangan Batman Institute of TAFE , Pearcedale Parade, Private Bag 299, Somerton, Victoria 3062

KUKK, Mrs Shirley, Deputy Director, Strategic Development, Kangan Batman Institute of TAFE, Pearcedale Parade, Private Bag 299, Somerton, Victoria 3062

CHAIR—Welcome, and good afternoon, and thank you for producing and providing us with a submission and taking the time to come and speak to it. Perhaps you would give us a five- to 10-minute precis of your submission, and then we will discuss it, if that is all right.

Mrs Kukk—The institute welcomes the opportunity to provide some additional information in support of our submission. In relation to the appropriate roles of institutes of TAFE, we would like to make just a few comments. Firstly, we see TAFE as providing vocational education and training to a diverse range of client groups which may include industry, the community, school leavers, and the majority of those TAFE clients being classified as adult learners. The TAFE culture is one of responsiveness and flexibility to a diverse range of clients, as outlined in our submission. The diversity of the institute's program profile allows it to respond to client groups, whether they be employers, industry, national or international clients. TAFE is also a provider of consultancy services to industry on a fee for service basis.

The diversity of TAFE distinguishes it from secondary and the university sectors, which are committed to providing general academic needs of people, or at university meeting the needs of highly specialised professionals. TAFE provides a broad based industry training to trades and paraprofessionals, and also provides an avenue for the acquisition of skills which improve employment opportunities, as opposed to universities who are providing skills and knowledge for a narrow segment of the professional employment market. TAFE also provides the delivery of seamless, flexible and customer focused vocational education and training, for example, by supporting VETs in schools, RPL and articulation pathways to university. It also provides an interface between secondary education and employment, employment in university, and between university education and the workplace.

The second term of reference, the extent to which those roles should overlap with universities: the institute supports the AQF, Australian qualifications framework, with TAFE wholly responsible for the development and delivery of certificates 1, 2, 3, 4 and diploma level, with the responsibility for advanced diploma being shared between universities and TAFE. The institute supports pathways between the two sectors, which might be enhanced by joint development and the delivery of advanced diplomas. There are also international market opportunities to cooperate in offering technical degrees between TAFE and universities. Our view is that TAFE can provide a seamless transition between secondary school and university. Partnerships and linkages between TAFE and universities to meet customer needs is certainly supported by the institute.

CHAIR—First of all, you have recently had an amalgamation, which I presume is the basis of the name. What have been the advantages and the disadvantages of the amalgamation, and is there any formal process to evaluate what benefits might have been conferred by that?

Ms George—I am happy to talk about the advantages and disadvantages, and you chip in, Shirley. We have been a TAFE provider in Melbourne's north-west for some 13 years now—12 or 13 years—and we were always seeking to grow and develop. We were regionally established as a feeder TAFE institute for other larger TAFE institutes, and it was really clear to us, in order for us to be able to have the breadth of programs to be a TAFE institute in our own right, rather than as a transition to other TAFE institutes, that we needed to really develop that. John Batman Institute of TAFE is a specialised automotive training institute within the north-west, so it was geographically located within our region. We had really sought to grow and develop across the board. We are interested in a multidisciplinary organisation where areas of the organisation would complement others. I, for instance, have responsibility for language training within our organisation, and our business is with all of the industries that we work with, but those in particular that have strong language needs.

John Batman Institute of TAFE offered us an opportunity to really broaden our program profile, and so we decided to accept that as an opportunity and grow and develop. The disadvantage, I guess, for us has been that the automotive industry training is going through some fairly fundamental change. I think it would be true to say that the horizon for apprenticeship training appears to be somewhat in limbo. I think there has been a decline in the apprenticeship training, and I think that presents us with some challenges in terms of the configuration that we have got within our new institute.

CHAIR—There is just another thing before I ask my colleague Mr Sawford to ask you questions. One of the witnesses we had this morning made the comment that TAFEs are essentially focused on training people for the needs of yesterday and the needs of today, and there is very little training which is focused on the future, and he perceived this to be a significant problem. Is that a view you might share, and how would we go about addressing it?

Ms George—You have got to look at the employment statistics, how many people are being placed in employment or how many people are going into unemployment and, with the statistics in relation to our graduates entering employment, if there is a not terrific equation, then we are really failing in our task. We are a vocational education and training organisation, and if people are not getting jobs out of the training that they undertake with us then we are failing in our task.

CHAIR—And you see that as the ultimate measure of your success, employment—

Mrs Kukk—It is one of the measures.

Ms George—It is one of the measures, yes.

Mr SAWFORD—Shirley, in your introductory comments you said that you are aiming for a seamless transition from TAFE to university, if I am correct?

Mrs Kukk—Yes.

Mr SAWFORD—But the trend in fact is the other way, is it not? It is from university back to TAFE?

Mrs Kukk—From university back to TAFE, yes.

Mr SAWFORD—Would you like to comment on that?

Mrs Kukk—Yes. The statistics do show that there is a high percentage of students who have undertaken or commenced a university program and are coming to TAFE to get that vocational stream so that they can find employment at the end. But in terms of being seamless, we are working with the schools through the VET dual recognition programs, traineeships, and we are working with universities in terms of pathways for our students. We are looking at the whole spectrum of secondary and universities, but yes, there is that trend, that students are coming back and getting the vocational training so that they can find employment after having undertaken—

Mr SAWFORD—So is this phrase 'the seamless trend', 'the seamless transition', just a bit of a buzz word?

Mrs Kukk—I think it can go both ways. Our students can move on to university programs, and university students can come to TAFE and find employment after having undertaken a vocational training program.

Mr SAWFORD—The point I am trying to make is that sometimes in education we use phrases because they just happen to capture the time, and we hear in this public inquiry this constant 'seamless transition', yet in actual fact to me it does not actually make a great deal of sense, because the transition is in fact the other way.

Ms George—But aren't we putting a priority on young people?

Mr SAWFORD—No, you are not answering my question. I just wondered why we always use this sort of buzz phrase.

Ms George—Yes.

Mr SAWFORD—I will get off that. Could you expand on your organisation's involvement in VET programs in schools?

Mrs Kukk—Yes. We are running the dual recognition program in a range of areas, in retail, horticulture, electrical, electronics and—I am not sure of the other program.

Mr SAWFORD—At what level in secondary school?

Mrs Kukk—Year 11 and year 12, VCE.

Mr SAWFORD—Year 12?

Mrs Kukk—Yes, and we are also working at the moment on a north-west wedge program that is working with a number of secondary schools in our region to work with them on obtaining traineeship and employment for those students through the north-west wedge program, and that is through the ASTF funding

which has been available to the institute.

Ms George—There is also the work that we do with special schools, to be honest. Rather than just straight schools, we are working with people with a disability, and we are currently running a number of TASER programs. We run some literacy and numeracy programs, but also a program called the certificate in work education, which is intended to give people with a disability the skills to enter the work force. We assist those students with placement into the work force, and we are working with those special schools in relation to transition into the workplace as well.

Mr SAWFORD—You mentioned retail. Could you give us some examples of what sorts of activities your organisation is involved in with the schools, and what sort of activities the students are doing in retail.

Mrs Kukk—They are actually undertaking units out of the certificate 2 in retail operations, and so we are actually delivering those units at the institute, because we have a retail training facility.

Mr SAWFORD—So the students are coming to the TAFE?

Mrs Kukk—The students are coming to the institute to do some of those programs where they do not have, for example, the specialist equipment, and we also take them out to industry and work with Target, for example—our local Target store—and with the local shopping centre, and provide guest speakers, so the training programs are actually conducted at the institute.

Mr SAWFORD—I just want to ask one last quick one. I know it has got nothing to do with the brief whatsoever, but I notice in your submission you do some things on aerospace.

Ms George—We do.

Mr SAWFORD—Yes?

Ms George—Yes.

Mr SAWFORD—I am very interested. Just briefly, without taking the committee's time too much, what actually are you doing in that area?

Ms George—Our programs relate to apprenticeship training, but there is also some middle level training. I guess our work is with the main airlines, but also with the manufacturers in the aerospace industry. We are largely training licensed aircraft maintenance engineers, but there is a whole range of short courses that we are involved in that relate to the regulator. But also relate to skills development around the engineering side of aerospace rather than the other side of the business. I guess our primary responsibility has been here in Victoria, but we have certainly done some work in other parts of Australia, and we indeed have an agreement with South Korea. Students from Korea complete the second year of the diploma level course in aerospace systems.

Mrs Kukk—Then they can go on to Monash University.

Ms George—There is a articulation arrangement.

Mr SAWFORD—Then they come back later.

Mr MAREK—The seamless overlap you spoke about between the TAFE and the union, that is imperative—is that what you say? Would you agree that it is imperative that we have that seamless overlap?

Ms George—I think it is really important that post-secondary education consumers have maximum choice.

Mr MAREK—In other words people need to be able to move from one group to the other and take their credits with them.

Ms George—Yes.

Mrs Kukk—Yes.

Mr MAREK—You would agree with that?

Mrs Kukk—Yes.

Ms George—Yes. We do not see it as the primary focus of our business but it is one part of our business that we see as being important.

Mr MAREK—Yes. It is just a policy thing or just something I am thinking of anyhow. You have people who go through TAFE and it is absolutely ludicrous if you cannot take that prior learning, that education you have done in TAFE, and get credits for a course you are doing at university. We have spoken to several groups particularly where we were talking about regulation or deregulation, and I talk about actually drawing a line in the sand. I see there is a bit in your submission about it. Should TAFE be able to offer anything higher than associate diplomas, or should they be able to do degree courses too? Should there be a line in the sand defining what unis and TAFE do not take off each other?

Ms George—I think there is a case for bestowing graduate certificates, to be honest. We have got a qualifications framework, but in actual fact there are quite different accreditation systems between the two areas. The seamless path, as we call it, is very difficult; I think it is an aspiration rather than a reality.

Mr MAREK—So the seamless overlap is important.

Ms George—Yes.

Mr MAREK—But in the same aspect it is a bit of an unwritten rule that TAFE does this and university does that, and neither has any inclination to try and take one over.

Ms George—Not in our experience, but it would not be the experience generally in TAFE I would

have thought.

Mr MAREK—We heard from some witnesses today who said that TAFE had no vision. This gentleman gave us quite a detailed explanation as what vision was and that sort of stuff. What he was talking about—and the chair actually touched a bit on it there too—was that jobs for 20,000, 10,000 or 15,000 really have not been created yet. There is going to be new technology, new jobs. How do you feel about trying to put forward or promote new jobs or new training for jobs of tomorrow rather than jobs of today and the past? Do you know where I am coming from?

Ms George—Yes, sure.

Mr MAREK—How do you feel about that?

Mrs Kukk—In terms of developing curriculum we work with the industry training boards and they are providing part of that vision in terms of where they see their industry going. Then TAFE are working with them to develop the programs to be able to address that and also train the students to be able to fulfil those jobs. So in the industry training plan we will say that in the year 2000, for example, we need X number of travel and tourism consultants, so we are providing that training to address that need. TAFE works very closely with the different industry sectors and the industry training boards.

Mr MAREK—So you would say that people who are developing your curriculums are pretty switched on and they are putting things together for the future, not just for the past and present.

Mrs Kukk—Working with industry.

Ms George—They work in conjunction with the industry. That is a requirement of the development of the curriculum. The industry training boards, the national ITABs and the state ITABs have been quite specifically set up with industry composition.

Mrs Kukk—Then local TAFEs work in their region. For example, in the area that we work in, we have a large number of Ford, Ericssons, Lane's Biscuits. We are working with those industries to look at their training requirements and providing industry consultancy and training programs to address their needs at a local level. TAFEs work in their region, work with their industries.

Mr MAREK—The Western Australian Chamber of Commerce and Industry has advocated the separation of public VET service delivery and the management of public VET infrastructure. Public VET facilities would be hired out to public and private providers on a commercial basis. How do you feel about that?

Ms George—That is already true of Victoria.

Mrs Kukk—It is already in place.

Ms George—I am based at our Moreland South campus bearing in mind that the Kangan Batman

TAFE is based in the north-west and we have a number of campuses. Already I would say we are providing access to about 25 per cent of our facilities to a third party. It is in the same business as we are. It has been done for some time and I guess it has been implemented as a policy within Victoria, and it is actually happening. The reality is that if government provides facilities and they are under-utilised then they ought to be used.

Mrs Kukk—We are already operating in a competitive training environment—public and private providers.

Mr MAREK—The Western Australian Chamber of Commerce actually intimated that they would like to see it deregulated so that they could put their own people in there and their own trainers into TAFE to be able to get what they would consider was a better degree of training. They were talking about paying something like $6,000 per student to put them through a course. I do not know if I explained that very well but that was the general thrust.

CHAIR—They have basically established their own vocational education and training programs to meet what they see as unmet industry need, to the point where employers and employer organisations are prepared to actually pay about $6,000 for a course and bypass essentially free publicly provided TAFE facilities.

Ms George—It is very often a different market. Private providers have got, and have had for a long time, a really unique part of the market. They do very different business to the sort of business that we do. They very often will not provide fully accredited courses. They will look at a particular segment, they look at much shorter courses, they look at particular niches. Public education is very different from that and I think there is a case for both, to be honest. The demand that we experience certainly tells us that there is a need for public education.

Mr SAWFORD—You have addressed the quality part of private and public programs being available, but I want you to address the availability. You cannot put two into one. The availability of the infrastructure, when you have both public and private operating, must have some impact. You have had some experience of this; would you like to comment on that?

Ms George—In reality there are different levels of the playing field. This may or may not answer your question so you might want to come back and ask it again. It is really true that we have had an infrastructure advantage in terms of buildings that we have had free access to. We have had to pay to operate that building but we have not actually had to pay rental costs to have access to that building. But I think there are expectations on public education providers that are not expected of private education providers. I would say that if you only look at that narrow spectrum of utilisational facilities usage, it is a very narrow spectrum in terms of the assets and liabilities that public and private VET providers have access to.

Mr SAWFORD—There is a basis for disagreement there, isn't there?

Ms George—Yes.

Mr SAWFORD—Because if a private provider wants the infrastructure at a particular time and so does the TAFE provider, who arbitrates? How do you resolve that?

Ms George—We are arbitrating and we are providing access. You have got to look at your building utilisation and say, 'Are we making the best possible use of this building?' and if we are not—

Mr SAWFORD—No, I am not asking that question. I am asking the question, and it will become obvious when this private and public work together, whether there will be a demand on this room at the same time. That is conflict. What about other organisations that share facilities? It might only be a very narrow aspect but we argue about toothbrushes at home—the availability. The timing of particular courses available to students, as you as well as I know, determines sometimes the choice. 'If it's available at a particular time I'll do this one. If it's available at another time, I'll do that.' Both private and public providers know the ideal times to offer courses to maximise them.

Ms George—But if you have got low utilisation rates and everybody wants a room at this time you have got to negotiate that because none of us can really wear the low utilisation rates.

Mr SAWFORD—Who arbitrates?

Ms George—At the moment we do. But we know that if we do not get it right it will go.

Mr SAWFORD—And in five years time who arbitrates?

Ms George—I would still say we would, because if we do not do it right we will lose it. If we are not responsible it will be taken away from us, so the onus is on us to be really responsible about it.

Mr SAWFORD—Would you like to make a comment, Shirley?

Mrs Kukk—I agree with Antonia. We work for the one organisation.

Mr BARRESI—What Rod has asked, to some extent, is what I want to ask in terms that we are looking down the track at what the scenario will be rather than now. You may be in a position of being able to manage that process quite well at the moment but who is to say that private providers will not feel that it is a lucrative proposition for them to be in VET courses greater than what they are at the moment. But that is not my question.

My question is more in terms of a submission we heard this morning from someone who was supposed to represent the TAFE institutes. He stated that the barriers between the TAFE and the universities should come down, and the TAFE system would be able to compete against universities with the barriers coming down. In your submission you are saying that really there should still be a delineation of responsibility, with TAFE being responsible for certificate and diploma courses, a shared responsibility for advanced diploma courses, and perhaps universities higher than that. That is a difference between what they are advocating and what you are advocating here.

Ms George—Sure.

Mr BARRESI—Secondly, if that is the case, then is there a danger in the shared arrangement? You have got one at the moment with the University of Melbourne.

Ms George—And Box Hill Institute of TAFE.

Mr BARRESI—On the Bachelor of Information Systems.

Ms George—Yes.

Mr BARRESI—But, while at the moment you are an equal partner, the university itself will swallow you up and you will become a minor player and you will be there at the bidding of the university, and your level of independence from the university will be diminished.

Ms George—That is not our plan, to be honest.

Mr BARRESI—If that is a possibility down the track, how can you resist that? What are you doing to make sure that it does not happen?

Ms George—Currently we are looking at delivering the first year of the Bachelor of Information—it is not really; it is one year of the Bachelor of Information Systems, and there may be subjects that are not just first-year subjects. The way for us to safeguard that is to make sure that we have got a combination that enables us to deliver a TAFE level certificate, be it at diploma level or certificate 4 level, in conjunction with the degree level program. That would be the way for us to really safeguard that. It is a dual recognition program that we have got in the secondary system in effect at the university level.

Mr BARRESI—Wouldn't a way of managing that possible relationship down the track be to look at the university in a similar way that you look at an employer who comes to you with a need? So, rather than the university being a partner in the degree in education, they are in fact a client of yours and that way you are able to structure yourselves according to what the client needs are. Is that a possibility in terms of just a differing focus in terms of relationship?

Mrs Kukk—But the client is the student who is undertaking the program and we are meeting the needs.

Mr BARRESI—No, clients are the universities asking for a one-year delivery. That is your client. The university is saying, 'We have this degree. We want one year of that degree course to be provided by you, because you have a far greater understanding of vocational needs.' That is your client.

Ms George—But they are not all that black and white about it, to be honest. They want to work with us in the development of this process. They are actually not prepared to say, 'Here it is, lock, stock and barrel.'

Mr BARRESI—Employers are like that as well.

Ms George—Yes, sure.

Mr BARRESI—Employers often want to work with you in developing a course that meets their industry needs.

Ms George—But they do not want to teach in it, necessarily, and the university people do want to teach in this course in conjunction with us. They have actually allocated load out of the university where it is actually not coming out of TAFE load.

Mr BARRESI—Are they allocating load for that first year?

Ms George—For 12 months of the degree.

Mr BARRESI—Or are they allocating load for the second, third and fourth year of the course?

Ms George—Both, really. They are allocating load for this one year that will be undertaken at TAFE, and we are looking at reserved places in the second year and beyond.

Mr BARRESI—So you are having the university lecturers and tutors coming onto your premises to provide their component of the course?

Ms George—That is the plan, yes. It has not happened yet, so we cannot tell you with the benefit of hindsight.

Mr BARRESI—Will the lines of delineation between the TAFE and university in this situation become even more blurred?

Ms George—The way that we have really set it up is that we have had an exchange scheme where our staff have actually gone and worked at the university, and we have looked at whether TAFE students have got an ability to succeed beyond other students that will come in straight from secondary school or from a different cohort altogether.

Mr BARRESI—How are you funding this course? Where are you sourcing your funds?

Ms George—It is load. I think I said that.

Mr SAWFORD—Can you see the dangers that Mr Barresi can? We understand that this is new, and maybe in 12 months time he may have a different view.

Ms George—I do not actually see it as a danger, because I think that the relationships are really important in order to really achieve a useful pathway. The universities are autonomous organisations, and as TAFE we have got a system of certificates and nomenclature that is consistent across the country.

Mr BARRESI—Today.

Ms George—Yes, sure.

Mr BARRESI—That is what I am saying: with the threat down the track, where the lines are being blurred, you could very well be swallowed up in the process by entering into such a relationship.

Ms George—That should not stop us from the relationships. We would engage with industry in the same way.

CHAIR—Certainly RMIT told us this morning that they feel their model has really represented a successful articulation, which has existed for some time, and they did not see it that way.

Ms George—They have undertaken a review of that, haven't they?

CHAIR—Yes. How would you react to the proposition one person put to us that the Commonwealth should take control of the administration and financing of TAFEs so that there would be one bureaucracy, if you like, and it would be nationally coordinated; there would be essentially one funding source with the exception of the fees that are paid by students?

Ms George—I think they tried to do that, didn't they? Wasn't there a states rights issue?

CHAIR—Leaving that to one side, is that something you feel would assist you in your work, or is it just a non-issue?

Ms George—I think that it would really assist us, to be honest. Funding at state level tends to be on an annual basis and we know that the universities get triennial funding. It would give us a far greater capacity to really plan our development. It would give us the ability then to really look at how we could work much more closely with the universities, I think.

Mrs Kukk—The other part of that would be also, as with the universities, to include some capital funding in that funding model, so that we are not going cap in hand in terms of capital funding. You can decide at an institute level what capital priorities you would see as important for that period of time.

Ms George—Yes.

CHAIR—Another aspect is that, given a large part of your cohort are young people from the secondary education system who probably have not been at the highest level of achievement, if you like, should a part of TAFE's role be identifying people coming into the system who in fact are quite gifted and could do a university degree as well, or when they finish their TAFE training? Is that something you see as part of the role?

Ms George—Can I just say that I think TAFE is really good for people that do not know where they want to go. It gives them time to mark time and to experiment with a few things, and I do not think that is

true of university. We are really good for obsessives, too, people that really know what they want to do, and they can do it with us and they can get on with it. The advantage in all of that is that they do get much closer tuition because of our funding parameters, and our class sizes tend to be 20 in a class, whereas the university lecture room can be 10 times that sort of number. I would not see that our students are necessarily coming to us less talented, so much as having very different needs, to be honest.

Mrs Kukk—That has been confirmed by market research that the institute has undertaken with a range of career counsellors, parents, staff, students.

Ms George—In terms of preparing students for university education, we do actually run adult VCE, and at our institute we have got a very successful program with some really good outcomes. Twenty-four per cent of our graduates in 1996 went on to take up a university place, so we know that we have got a very strong number of students who are continuing, and they will come from our diploma courses and our VCE course.

CHAIR—Presumably that is one of a number of community service obligations that would not be met if we went to, say, the Western Australian Chamber of Commerce and Industry model of complete privatisation and private sector provision.

Ms George—Yes.

Mr SAWFORD—Talking about business chambers, the Australian Business Chamber have suggested that there be available in VET a full-time trade training option. In other words, if you were not indentured to an employer you could go to a TAFE and do a plumbing course or electrician course or whatever. What is your reaction to that suggestion?

Mrs Kukk—Is that similar to the group training scheme?

Mr SAWFORD—It could be, but I am saying in terms of TAFE providing something as a full-time trade—

Ms George—I am not aware of the demand for that but, to be honest, you have got to work out whether there is an employment demand that our graduates can really service, if you like. But there is also an individual demand for that type of training.

CHAIR—Non-indentured apprenticeship scheme.

Ms George—Yes, I understand what you are saying.

Mr SAWFORD—But no-one seems to be able to work this out. In Western Australia, when we were there in the public inquiries, they are 500 nurses short—500.

Ms George—We had 300 SEN nurses on our waiting list last year.

Mr SAWFORD—There are 500 vacancies in Western Australia.

Ms George—And it is a really high demand area, yes, I agree.

Mr SAWFORD—In my own state there are particular skill shortages in a whole range of tooling and manufacturing industries. Sometimes I have had young people suggest to me, 'The planners don't know what they are doing. Why can't we take a punt? I want to be a plumber, for example. I think there are some opportunities down the track. Everybody else says there are no opportunities, but I think there are. Why can't TAFE offer me a full-time plumbing course?'

Ms George—There would be no reason why he could not.

Mr BARRESI—He is just not indentured to a full-time employer.

Ms George—There would be no reason why he could not do it.

Mr SAWFORD—But nobody does, do they?

Ms George—But maybe there is not the demand for it. It is possible to do it.

Mr BARRESI—Can I put it to you that, rather than there being no demand for it, this committee last year did an inquiry on the factors influencing youth employment, and one of the comments that came out of it quite a bit was the lack of knowledge that kids had of alternatives beyond school—or alternatives beyond university. We also heard this morning from a number of people about the lack of knowledge out in the marketplace—whether it be amongst the parents or the kids themselves—of the value of a TAFE education.

I put it that perhaps it is a marketing exercise that has not identified the needs, rather than the needs coming to you. In that light, what are you doing as an institute to promote yourself amongst the kids out there?

Mrs Kukk—We have a schools liaison marketing plan, and it has the roles and responsibilities for each of the units across the institute in terms of attending their information sessions, inviting the students in to have a look over the institute involved in the dual recognition programs, targeting through their newsletters at the secondary schools about Kangan Batman TAFE, having open days where we bus the students in and show them around the institute, a range of activities and a newsletter where we actually work with our local secondary school catchment area.

Ms George—And local government authorities.

Mr BARRESI—The area that you cover—I am very familiar with that area. I grew up in that part of Melbourne. Very much vocational education should be a serious option for many kids out there who decide to opt out of high school. I am just wondering whether or not the submission we heard this morning was actually accurate—that marketing has been very poorly done by TAFEs.

Mrs Kukk—It is an area that you have to work on, in terms of visiting the schools and making them aware of what you have to offer.

Mr SAWFORD—You should not feel lonely—everybody does it badly in the schools. If you look at a careers adviser in a secondary school—1,200 kids, selected by the short straw method, having other responsibilities and expected to be able to deliver to 1,200 students in a secondary school, a range of options that are available—the teacher could not possibly know what the range of options are, and it is an impossible expectation anyway. It is an area that, personally, I would like to see TAFE much more involved in.

Ms George—But we are doing some really good things in that regard. We have got a program for young people that drop out of school, who are petrolheads—petrolheads on the road, rather than in the air—and we actually bring these young people in. We work with the schools to bring these young people in to really undertake the beginnings of an automotive course. They proceed, and some of them are not successful, but we have got some really good success rates in getting these young people to come through and take up a career within the automotive industry. It is examples like that you need to hear about. They are really good examples.

Mr SAWFORD—But those things seem to be the exception rather than the rule. When we go around and visit schools, not on this inquiry but on previous inquiries, I can remember raising with school forums all across Australia, 'Has anyone told you about being a road transport operator?' Everyone looks at you blankly. No-one has ever heard of what a road transport operator is. The average age of road transport operators in this country is about 55. It takes three or four years to train them. They use equipment worth multi-millions of dollars and they earn $60,000, $70,000, $80,000, $90,000, $100,000 a year. When you say that to students they look at you as if you are coming from Mars.

You can talk a whole range of occupations where you might get your hands dirty, but demanding of skill, and the kids have never had those options put in front of them. They are the standard—retail, hospitality, et cetera, et cetera—but there is a whole range of others out there. There are skill shortages in every state in Australia, and we are immigrating. Do you have any provision or are trialling any provision of employment services for your students?

Mrs Kukk—We operate an employment placement centre where students who have undertaken our program profile have an opportunity to work with the employment placement centre where they develop their curriculum vitae, they liaise with employers who phone the institute and try and match people. We have been a case manager. We have had the trial to pilot programs with pathways.

Mr SAWFORD—The job pathway program.

Mrs Kukk—Job Pathway program. We are dealing with secondary students and finding them employment. So we have an infrastructure there to support our students find employment and linking them up with our industry clients.

Mr SAWFORD—How long has your pathways program operated?

Mrs Kukk—We had two pilots, so that would have been for at least two years.

Ms George—Also one of the best forms of job placement is practical placement, where students go out and undertake practical placement within the work force. We find that a lot of good comes from that program.

Mr MAREK—How do you feel about a system where you gave people the ability to be able to come in and do a course and pay it through HECS? Say I was unemployed and I am 25 or 30 years of age and all of a sudden I want to do an apprenticeship in fitting. These guys were talking about it a little while ago. I want to come to you and I want to do a complete trade. I may not be able to get the hands-on experience side out there with an employer, but at least I can do all the academic side and walk away with a certificate that says that I have completed dah, dah, dah. How would you feel about that? You said that is probably already possible, but the HECS thing—how do you feel about that?

Ms George—We do not have HECS.

Mr MAREK—No, I know that, but if it was introduced? Should we have it? Should I be able to come to you, as a homeless youth—

Ms George—If you are a homeless youth and there is HECS, the odds are on you are not going to come to us.

Mr MAREK—No, hear what I am saying. I want to go out there and I want to get up and have a go.

CHAIR—Yes, but at the moment they have a fee.

Mr MAREK—That is right.

CHAIR—A TAFE fee.

Ms George—Yes.

Mr MAREK—So if I cannot afford the fees—

Mrs Kukk—They can get it on a health care card; then they can receive—

Mr MAREK—Say I do not know about that sort of stuff, but I just—

Mrs Kukk—a concession—

Mr MAREK—want to come to you and I want to do the course—

Mrs Kukk—so that they can afford to undertake the program.

Mr MAREK—Yes. So how do you feel about that, that the people—

Mr SAWFORD—Paul, can we just hear what Shirley said just a while ago? Can you say that again?

Mr MAREK—I was just trying to get—

Mr SAWFORD—Can you just say that again?

Mrs Kukk—That they do have a concession—

Mr SAWFORD—I know, but it was just something—Hansard could not hear it, and nor could I.

Mrs Kukk—That we do offer a concession to students whose parents are on a health care card. So we do have quite a high percentage of concessions, because of the region in which we are operating.

Mr MAREK—Yes, the point I was trying to make is: if you did not have any of that, but you just wanted to come in and do the course, how would you feel about the idea of people being able to access HECS?

CHAIR—What Mr Marek is saying is that, in addition to the up-front fee option, even if it is a concessional fee—

Ms George—Could they defer?

CHAIR—Should they have the option of a deferred payment program?

Ms George—We do sort of have a deferred payment scheme, in effect. We do have a student loan system. We have always had it in our organisation. We are in an area of extreme disadvantage, and we have always had to provide that as an option to our students. So we lend students money.

Mr MAREK—Really?

Ms George—Yes.

Mrs Kukk—To pay for their books or pay for their fees.

Mr SAWFORD—When you apply the concession, who funds it? State? Federal? Do you cross-subsidise it? What happens?

Ms George—I cannot tell you how it works out financially.

Mrs Kukk—I do not really know, either.

Mr SAWFORD—Could you find out and let us know?

Ms George—Yes.

Mr MAREK—That does not make sense. I did not think that you had the ability.

Ms George—It is not a full payment for a position, and what happens is that the Office of Training and Further Education estimates what our fee income is, and it is my understanding that they actually give us less money as a basis—so they work out how much we will need to run this amount, and they take into account what our likely fee income is. They always estimate a lot more than we ever do, but that is another point.

Mr SAWFORD—I would still like to know, if you could when you go back, how you fund that.

Ms George—Yes, sure.

Mrs Kukk—And also the guidelines for concessions?

Mr SAWFORD—Is it state, is it federal, or do you cross-subsidise.

Mrs Kukk—Yes.

CHAIR—I would just like to come back to something that was fairly important that was raised earlier on. Mr Sawford asked the hypothetical question about if he wanted to be a plumber, and people—I mean, there are equivalent occupations, like being a cooper, or a stonemason, for example, which I can imagine are occupations that are not necessarily in high demand, but nonetheless there ought to be some training. But this morning we were told that, again, TAFEs are good at training people for the present and the past, but they are not doing much about the future.

Should there be a funding mechanism which enables you to provide training for things that are cutting edge, if you like? Multimedia and biotechnologies are examples. We have mechanical technologies which I suspect are coming on line that are at the end of their periods of research and development, and yet there are not any skilled people training in TAFEs or anywhere like that. Should there be a fluid amount of funding? For example, in business there is a business technology program that is available to provide dollar-for-dollar funding with the private sector to access technology development for small and medium businesses. Should we have something like that in TAFEs?

Ms George—Yes.

Mrs Kukk—I think we would look favourably on some funding to be made available for innovative projects, or for research and development, and if institutes were able to match that funding I think we would really be looking for that sort of funding.

Ms George—Particularly if we could seed. In reality the funding we get says that we have got to deliver this amount of quantum, so you tend to go for the best bang for the buck, to be honest. I think the reality is that we got into some new areas of training in the last few years, and we have had to cross-subsidise in order for that to happen, and it has not been all that easy, to be honest.

The food processing industry has been around for a long time, but the reality is that there has not been

a big history of food processing training, particularly at the operator level. So we have really worked hard at that. We are doing quite a lot of work-based delivery and working with the food processing companies, and it has been really interesting. But in reality, it really required us to seed that program in order to really get it going.

Mrs Kukk—We are putting some programs on to the virtual campus, and we have funded that internally. But if there had have been a pool of funding that was available that we could access, then that—

CHAIR—There could be a pool of funding available into which governments, institutions, employers and research organisations, for example, could contribute to enable technical training in cutting-edge areas, I presume.

Mrs Kukk—Yes.

CHAIR—Okay, thank you for all that. It was very good of you. If you have any other thoughts or ideas of things you would like to see put forward, please do not hesitate to send them in.

Ms George—Thanks very much. Best of luck with the rest of it.

CHAIR—Thank you.

[2.55 p.m.]

FRANCIS, Mr Russell, General Manager, Education and Client Services, Barton Institute of TAFE, 488 South Road, Moorabbin, Victoria 3189

CHAIR—Thanks very much, Mr Francis, for producing a submission, and taking the time to come along and speak to it. We appreciate it. First of all, my name is Brendan Nelson. I represent a Sydney metropolitan seat for the Liberal Party called Bradfield. Mr Sawford, the deputy chair, is the Labor member for Port Adelaide, and has a longstanding interest in education issues. At the far end, Mr Phillip Barresi represents the Liberal held seat of Deakin here in Victoria, and on my left here is Mr Paul Marek, who represents the Central Queensland seat of Capricornia for the National Party. Could you just introduce yourself, and give us a five-minute precis of your submission, and then we will talk about it.

Mr Francis—My name is Russell Francis. I am one of the general managers of Barton Institute of TAFE. My actual title is Manager of Education and Client Services. As such, I cover one of the corporate areas within the institute, and my area specifically deals with the student administration area, the library, counselling support services, educational services, child care, and a few others tacked on as well. Basically, it is one of the corporate areas that supports the business delivery side. We have four business units in our organisation, which are focused on industry. We have a business unit called automotive, one called manufacturing, one called community services, and the other one called business, and most of our programs are grouped under those industry headings.

The basic submission that we sent to you dealt with the review that was going on at the time, the Melbourne Metropolitan Review that was undertaken by the local minister for tertiary education. As such, we put a submission in there encapsulating some of the facets of the way Barton was running. As of 1 July we will be amalgamated with two other institutes, Peninsula and Casey, to form the largest TAFE institute in Victoria. The name of that institute is up for grabs, but most likely it will be Southern Melbourne or something of that ilk.

The paperwork I have given to you is more about the way in which we are currently running our organisation, in that our main focus for our delivery is on servicing the industry needs as well as the community needs. We are fortunate that Moorabbin campus, where Barton is based, is at one end of the great industrial belts that runs through the southern areas of Melbourne, ending in Dandenong, and we do a lot of work in that manufacturing area itself, as well as meeting our community needs.

We have also learnt, because we have been landlocked over a period of time, that we have to move outside of what was traditionally our geographical footprint, and we do an exceptional amount of work in food processing right around the state of Victoria, particularly in the meat industry—in the abattoirs and boning rooms of Victoria. We also do work in the fish industry. We also do significant work in manufacturing outside of the Melbourne metropolitan area, and in the management area, particularly front-line management. We have just landed a large contract with Australia Post for that purpose.

We have learnt that we cannot be reliant on just meeting the geographical needs, and servicing the needs of those people; we actually have to meet their needs by going out and doing a lot of work site delivery,

particularly language and literacy as well. We are very active in moving outside of what would have been the postcode sort of geographic boxes that once used to prescribe what was or what was not your region, and yet we will service the needs of most of our students within that region as well.

The third dot point refers to the fact that effectively last year slightly more than 50 per cent of our income was gained either commercially or through the tendering process. So we do not sit back on our hands and just wait for the state government to hand us the funds to do the delivery, we are out there in the workplace actively competing against other TAFE organisations in the first instance, but a lot of private organisations as well, and winning considerable corporate dollars. Our turnover last year was around about $45 million. So $22 million of that, roughly, was earned on the commercial market through tenders or through industry arrangements.

There are some issues there that are raised in the last couple of dot points about the difficulty that TAFEs have, and I guess this is more universal than particular to Barton. We are funded by an agency called OTFE. They also make the rules. Yet we are supposed to be more and more privatised, or looking after our own commercial needs. There is a tension between what is the government's role of OTFE telling us that we should move in particular directions, and also what is the autonomy role that we want to have in being in charge of our own destinies.

Some of those issues come back down to staffing. Once we used to have central staffing. Now it is devolved to the institute councils. However some of those staff are deemed to be ongoing as a consequence of their prior employment status, and we are in a situation where the mean age of our staff is close to 47. We are an ageing population, an ageing staff, moving into new areas and new directions. We do not necessarily have the autonomy to move as quickly as we would like. There is a fair amount of baggage that, for a variety of reasons, we have undertaken, and that is catching up with us as we move along.

I guess the last point is talking about the increasing ambiguity where you have a government that, on the one hand, tells us that we must do a lot of delivery in a particular area, and at the same time it is saying, 'You have to be in charge of where you're going, and do your own strategic planning.' So there is also tension in that relationship there. What does it mean to be an autonomous TAFE institute in Victoria? Well, there are lots of question marks around that particular issue.

So I can talk a lot about provision. I noticed that when you were talking with the people from Kangan Batman you were talking about provisions, so I can do that. But we can also talk about the larger directions of where we think that TAFE education is going on behalf of Barton.

CHAIR—Thank you very much. The first thing is the whole relationship to universities. You said in your submission that you thought the status of TAFEs needed to be raised.

Mr Francis—Yes.

CHAIR—And, I suppose, reflected in that, the Vice-Chancellor of the RMIT this morning remarked of one particular industry group that less than two per cent of the employees had degrees, and he saw this as a bad thing. How would you raise the status of TAFEs? Why do you feel that that is necessary? I have a feeling

why you think it is, but you tell us.

Mr Francis—There is a marketing issue in there. Obviously, everyone is after people taking full-time place or part-time place training to get their funding levels through. The first preference for most students is university. It is interesting that we get a lot of post-university graduates coming back to TAFE to do a diploma through TAFE. So if we talk about our articulation, it actually works in reverse.

CHAIR—The other way.

Mr Francis—There are more people coming from university to TAFE, rather than from TAFE to university. A lot of people who come to TAFE do so as their second option. I guess the issue is that they have missed out on the first round with university and they see a place at a TAFE institute as a lesser place. So wanting to raise the standard means that we would like to have some form of seamlessness, if that were possible. There are a couple of courses that we already run, where we run the first year of a bachelor of business degrees through Deakin at our organisation at Moorabbin, and the students then move through, and effectively they take two years to do their first year of a university degree.

We need to have stronger links that way, more so for students coming through the system to university, because I think we get enough of the people coming from university back through the TAFE system. Food processing is a classic. We have a lot of people who come back to us, having got a university degree in food technology, wanting to do a diploma of food technology because we are far more hands-on, and they actually have far more involvement with the actual industry itself in the TAFE environment. So articulation has to swing both ways. Does that answer what you are after?

CHAIR—Sure. My colleague, Mr Christopher Pyne, is not here at the moment, but were he here he would suggest—I think I am presenting him fairly—that that would debase the value of a university degree and university education. Mr Pyne is at that end of the spectrum that feels perhaps too close an articulation, or seamlessness, if you like, between the two sectors will really devalue the primary activities of each. Is that something that you would be concerned about?

Mr Francis—Devaluing a university degree by doing a TAFE diploma beforehand? I do not see how that could happen. I think if you are going to get a diploma and a university degree, or if it is a seamless university degree that takes you four years instead of three when the university will not accept you in the first instance in its own right for its three-year program, it is not debasing the university; it is giving another person another way of getting in to university.

CHAIR—So you feel that if someone does not meet an educational standard to get into university, and goes and does a TAFE course, and then is subsequently accepted, presumably on the same sort of criteria—

Mr Francis—Merit, yes.

CHAIR—that is quite an achievement.

Mr Francis—Yes, it is. Part of TAFE acts as that safety net, part of TAFE acts as that second chance, third chance, or fourth chance to enter through into educational institutions which otherwise would not tolerate

them in the first instance. There is elitism coming through from the universities saying that, and it rankles with me.

Mr SAWFORD—Russell, can I compliment you first of all. I think your submission—not the dot points, the one you sent to the committee—was one of the few submissions that actually emphasised that TAFE ought to be producing higher quality programs. I compliment you for acknowledging that. You also mentioned strategic alliances with higher education. Do you see any dangers in this?

Mr Francis—We were going to commence strategic alliances, even with institutions in the United Kingdom. The reason why we want to undertake strategic alliances is to get the product for the person in the workplace particularly who wants to undertake that form of training. That might mean that you can be married very closely to your immediate geographically located university, which in our case would be Monash University.

We do not see that that is the way to go. We would like to be able to shop around and have the ability to say, 'This person in industry wants this particular program. We can make it happen, either by importing the program from overseas or from interstate, or getting it locally, to provide that person with the service they require.'

Mr SAWFORD—Whilst we were in Western Australia last week at the public hearing, we heard from a professor from the sandstone university, the University of Western Australia, and we were talking in context of developing dual sectors in regional areas, which makes a great deal of sense, but he did say one surprising thing: when it came to administration, and who would have ownership of the program, it was most definitely going to be the sandstone university, it was not going to be damned TAFE. Is there a problem with this?

Mr Francis—There are licence agreements which have to be worked out. It is a business deal, and if universities have it in their minds that, simply because the TAFE brings the custom to them, they become the university customer, well, often the customer does not want a university to do it; they want the local TAFE industry to do it, because the TAFE knows their own industry far better and have, probably, people who are better equipped to walk into that facility and do the training.

Mr SAWFORD—Could I follow up a couple of matters you raised in your introductory comments. One was the age, which seems to be a typical problem right across education, whether it be primary, junior primary, secondary or whatever; the age group being around the 50 mark. I was not at the hearing this morning, but someone criticised TAFE for not having vision. One of the things in terms of any change mechanism is that you need an impetus of new ideas, and you often do not get new ideas unless you make a radical change in terms of the structure of your staffing.

What opportunities are there for the VET sector here in Victoria to actually bring some new people in? The last time in Australia that we had this huge impetus of new ideas was the people who came from the redbrick institutions in the United Kingdom in the middle 1960s, and went to the CAEs eventually.

Mr Francis—We are talking about traditional TAFE teachers. More and more of them are starting to realise that they can no longer stay in the classroom and teach 14 students or 10 students or six students.

There is an economic imperative behind the fact that you need to have your class sizes up, otherwise we do not run that program, and that is just the reality of the situation.

Mr SAWFORD—A lot of TAFEs around Australia have little pokey rooms made for sixes and eights and 10s.

Mr Francis—Correct.

Mr SAWFORD—That is an infrastructure problem too, isn't it?

Mr Francis—It is, but if we get back to your original point, which was how do you turn people around, well, a lot of people are turning around because they are starting to see the sort of work that they can do on a work site as just as valid as the sort of work they are doing in a classroom.

Mr SAWFORD—But in any analysis of a change process, most people will suggest that you need an impetus of ideas, often from outside.

Mr Francis—Yes.

Mr SAWFORD—Where can that possibly come from in the VET sector in Victoria?

Mr Francis—A lot of our impetus in our own institute has come through the language and literacy people. Ten years ago that department probably did not exist. In the last 10 years we have enlisted a variety of people. A lot of them are secondary education people. A lot of them are from AMES.

Mr SAWFORD—Sorry, what is AMES?

Mr Francis—The Migrant Education Service assistant program. They come in with their particular skills of going out into industry, and that has been one of the things that has started to turn a lot of traditional sectors around. Their links to engineering, their links into food processing, their links into business programs, their links into manufacturing; all those sorts of things, are starting to get other staff out into the industry. So that is one of the ways. The other way is, obviously we have to make room for new people with new ideas and new visions to come in, particularly dealing with technology.

Mr SAWFORD—You mentioned fishing. What involvement does your VET have in fishing?

Mr Francis—We actually train people in food processing at canneries.

Mr SAWFORD—So it is food processing?

Mr Francis—Yes.

Mr SAWFORD—It is not aquaculture.

Mr Francis—No, it is not aquaculture. It is about the canning industry.

Mr SAWFORD—Thank you.

Mr MAREK—A typical question I have asked most of the people we have bumped into is regarding regulation and deregulation. I am talking about regulating TAFE to universities. In other words, there is a line where TAFE will not go, and encroach upon university teaching, and the universities, vice versa, will not come back. Do you understand what I am saying? That is just seamless overlap, I guess, but the credits must flow.

Mr Francis—Yes, I understand what you are saying.

Mr MAREK—You would agree with that? Some people have said we should deregulate it altogether.

Mr Francis—And allow TAFEs to offer anything from a certificate 1 through to a PhD?

Mr MAREK—And training, I think, in particular, yes.

Mr Francis—Would that allow TAFE to actually offer a degree?

Mr SAWFORD—We could deregulate completely. You are quite right, Russell.

Mr Francis—So it works both ways? You have to understand that there are a lot of satisfied customers with TAFE, and that when they go to university and they suddenly see a huge lecture hall with 300 people and a person who might front-up and talk to them for an hour, they lose the humanity of it all, and they would much prefer to go back to a system where they might be taught in classes of 25. So if it is going to work, that is fine, but let it work both ways.

Mr MAREK—Yes.

Mr Francis—And I think you might find that TAFEs will take a significant portion of people. A lot of people come to TAFE because of its links to industry, and I think universities sometimes forget that.

Mr MAREK—Great. That is what I wanted to hear.

Mr Francis—The issue is between whether you want to understand the theory, or do you want to understand the practice.

CHAIR—Russell, how much research do you do at Barton? To what extent are you involved in it?

Mr Francis—The Australian Competency Research Centre is based at Barton. It does a lot of work into the assessment area. More and more it is going to be that assessment is going to drive the development of curriculum, if you want to call it curriculum, or learning competencies, learning outcomes, standards. We have got a large group of people who actually deal with that. Each of the business units themselves is progressively

upgrading its own offerings by looking at the way in which competency standards are going to come in to replace learning outcomes, and the way we have got to be able to assess people at any level, at any time.

So it is no longer going to be the situation of, 'Well, you've turned up, Mr Nelson. You've got no knowledge at all. We're going to treat you as an empty vessel.' It is going to be a matter of, 'What skills do you already bring which we can recognise and acknowledge? How can we shorten your stay in TAFE to give you the qualifications that you want that are most appropriate to the work skill in the work area you're working in?'

CHAIR—The witnesses we had here before are basically drawing from a low-income area. You look as if you are running a pretty switched-on operation here. Are you also drawing from low-income areas?

Mr Francis—Yes, we are. Our main campus is based at Moorabbin, so we draw from Dandenong, Frankston, Chadstone, all the way through to Richmond. We have actually got a campus at Richmond. It is an automotive campus, and it draws from all over the metropolitan area. A significant portion of our students are, well, non-middle class. That might be a nice way of categorising it, rather than using any other derogatory terms.

Mr BARRESI—You are losing a campus. Is that right?

Mr Francis—Correct.

Mr SAWFORD—Nothing wrong with 'working class', Russell.

Mr Francis—Nothing wrong, except—well, yes, okay, fair enough. I grew up in Dandenong, Noble Park to be exact.

CHAIR—I presume you also place a lot of importance on the employment outcomes for your students as a way of marketing the institute?

Mr Francis—Yes, we do. It will be interesting tomorrow when the tenders are finally released, but we have put in for the employment service areas for the Flex 1, 2 and 3. We are in a large consortium. We have already won some of those up in the country. We are looking for some metropolitan regions.

Mr SAWFORD—So you still have not found out?

Mr Francis—It comes out tomorrow.

Mr SAWFORD—But—well, I should not be saying this, should I—but people have been finding out all the way through February.

Mr Francis—No, no—

Mr SAWFORD—Yes, they have.

Mr Francis—People have been offered contracts, but that does not necessarily mean that they have accepted the contracts.

CHAIR—We might just stick to the terms of reference.

Mr Francis—There are some issues there. People have been allocated regions and they might not want to pick up the region. We also run a graduate program where we provide services along similar lines to what I heard with Kangan Batman. We provide them with interview skills and resume writing. We have hit lists of jobs that are available for students to actually consult and work through.

CHAIR—Actually, I am pleased that Mr Sawford raised the issue, and I ask this not in any partisan sense, I can assure you, but regarding the prospect of providing employment services, and actually being funded to do that—in this case by the Commonwealth—do you feel that that is going to actually enhance the role you already have, or is there a risk that it might distract you a bit from some of your core activities?

Mr Francis—In some respects it is going to legitimise a situation which already exists. We do a lot of it anyway. We have got a good office admin area. They get people who ring them up asking for good students, and can put them forward for a job. There has always been that. I guess if we undertake it on a full-time, paid basis, you are just making it another part of the process. Students come to us to get a job. They do not come to us to get necessarily a qualification, unless it leads to a job. If we can provide them with both, then we are supplying a one-stop service.

CHAIR—And with respect to community service obligations, I get the impression that you are very much a business focused, market focused institute.

Mr Francis—Correct.

CHAIR—In your submission I see you provide some VCE services.

Mr Francis—We provide a large VCE program.

CHAIR—Second-chance education.

Mr Francis—Yes, very strong and very much into the traineeship market as well. That is going to be the growing area of the TAFEs, and we have to be going in there and providing work training options for people. We have to seriously look at the issue that Mr Sawford was talking about before: if you are a plumber and you want to get training in plumbing and we do not offer plumbing, how do we get you the best service? Do we pass you over to a TAFE that offers plumbing or do we undertake plumbing ourselves, if there is enough of it? Obviously we cannot lose money on it but we have got to be able to make sure that if there are 20 or so people that want to do it, how do we set about providing you with the skills that you need? That might be part of your community obligations.

Mr BARRESI—Russell, just an extension to that, and I think it was asked of the previous group. In part this question comes from comments that I receive in the electorate office from people who seem to be annoyed at the thought that Australia has to bring in skilled tradesmen from overseas to fill vacancies. My

question is what level of forecasting do you do on the types of occupations and therefore the skills that go with it that need to be filled? There is obviously a lag period. The need is today. You are not going to have the people ready for another three or four years. So what level of forecasting do you do or does the TAFE sector in general do to fulfil those needs?

Mr Francis—There is a variety of industry training boards that are sponsored by the Office of TAFE and Further Education. They used to do the majority of that sort of strategic planning down the track, looking at the projected forecasts for employment, and then tying that back into the funded places that the state training board would offer to the various TAFE institutes to meet that need. That still occurs. It is not as focused and not as dynamic. There has been a lot of effort that has been pulled out of that—people in positions and all sorts of stuff—which means it makes it incumbent on TAFE institutions themselves to undertake some of that planning.

Our close allegiance with the food processing area means that we are very clearly tied up with the MAV, Meat Authority of Victoria. We are tied up with their style of training of where they are predicting they are going to go. We have to make closer links with the actual industries themselves and at the higher level of the state representative boards, directly with them, as well as with the industry training boards, so that we can make sure that we are moving in the same direction that the industry is moving.

Mr BARRESI—That level of activity that you are doing will not be done by the universities at the moment? In other words, I am looking at the advantage that you have over universities. After all, that is what we are looking at here.

Mr Francis—Given that most of those boards are looking at operator training level, universities will not be there yet. If you de-regulate the market and make it worthwhile, they will probably move in. At the moment, we seem to have a good hold on that.

Mr SAWFORD—Just a quick one. What are you doing in schools and how are you marketing yourself to schools?

Mr Francis—We run an extensive program, and have done for the last four years, for VET in schools. We call it a pathways program, or Pathfinder, to be particular. We have very strong links with the local secondary community colleges, and we make sure that we are running more and more programs, which are not only dual recognition, but are also what we call TAFE tasters. Our job is to market ourselves to likely candidates in future years, and the only way we can do that is to make sure that they have knowledge of where we are, and come in and see the sort of skills that we are doing.

So we often run one-week programs for, say, year 10 students from Sandringham Secondary, and we might have 300 of them on site. We pay for that ourselves but they might try some fabrication. They might try some cooking. They might try some food processing. They might try some electronics and some word processing. So they get a flavour of the sorts of things that we are doing.

We do a lot of marketing out into the school areas in the tertiary information sessions that are held across the state. There are only so many dollars that we have got but we think that we are starting to target the

market pretty well and making secure links between a student who might start a dual recognition program in year 11, staying with you for the last two years to get the diploma. We are looking at making the links, not just to tertiary, but back through secondary, and we have to sit in the middle and work that through.

Mr SAWFORD—Have you ever been to a primary school?

Mr Francis—Yes.

Mr SAWFORD—Have you?

Mr Francis—Yes, we have.

Mr SAWFORD—What sort of response do you get back from them?

Mr Francis—I went out to a local one, because one of the staff members asked me to go there and give them a talk. It was the grade 6 students. They are totally confused as to what we are and what we are doing and where we are going.

Mr SAWFORD—You have answered your own question, haven't you?

Mr Francis—Yes. However, in secondary school it is a different matter. Students are making significant choice and career decisions in year 9 now. We have got to get into that market around the year 9, year 10 level and make sure that they see us as a viable alternative.

Mr SAWFORD—If you go to a primary school with a quality educational program, which is a comment you used in your submission, you will find children in year 6 or year 7 in some states.

Mr Francis—Yes.

Mr SAWFORD—They have a very specific focus, and I do not mean the eight-year-old, 'I want to be a fireman, a policeman,' or whatever. They know, because they have been exposed to it by the education program.

Mr Francis—My only comment to that is that they are likely to go to university in any case. I am making a sweeping generalisation when I say that.

Mr SAWFORD—You are, because it is changing.

Mr BARRESI—We heard this morning, from the representative from the union, about various models—the relationships between the universities and the TAFEs. In fact, the chairman has asked him to go away and come back with some sort of proposal as to how we can evaluate the merits of one model versus another. You have entered into a relationship with a higher education.

Mr Francis—Yes.

Mr BARRESI—What made you choose that particular relationship model over another?

Mr Francis—The one that I know that I instigated was the relationship between our food processing and food technology areas, and the food technology course at Dookie run by Melbourne University. We chose that because they gave us the most credit for what our students had done. So we have actually shopped around to make sure that the program that we want to articulate with gives the students the sort of credential that they will need in an industry, but also that they will not be disadvantaged for their studies at our TAFE institute.

Mr BARRESI—So a credit transfer was a very key part of it.

Mr Francis—A credit transfer is very key. There is no point us negotiating with an institute that is only going to give us one year when another one will give us 18 months. I mean, the students will vote with their feet.

Mr PYNE—I note in your submission that you have talked about the importance of TAFEs in promoting our economic performance, and that will not be achieved if they are subsumed into universities. You obviously very strongly reflect the view that TAFEs have a training role in supporting the people into employment and giving them skills that will make them employable. Do you see that role as also being the case in universities, or do you see universities as having a greater role than training institutions?

Mr Francis—I think that there is room for both. There will be overlap in some areas but I think that you have got a group of people from the TAFE organisation who have got a very strong focus on delivering work-site training, operator level training. To a large extent, that is the primary reason why TAFE was created. TAFE has also launched itself into further education as well. University is starting from the further education and is working backwards into the more traditional operator training level.

I think I have answered the question before that if you deregulate it and you allow open slather, then you must allow TAFEs to compete against universities by offering degrees, as much as universities offering certificate 3s and certificate 4s.

Mr PYNE—You do not think that it is important that there is a serious differentiation between the products offered by TAFEs and universities?

Mr Francis—I think the product differentiation makes the difference.

Mr PYNE—Can you explain what you mean by that?

Mr Francis—The fact that one is offering a degree and will offer it only at a certain TER school to enter, versus another one that is offering a diploma but basically you only have to be one year out of university or have been one year out of education, or be at work, and you have entrance to that, I think demarcates the workplace already for you.

Mr PYNE—Didn't you just say that TAFE should be able to offer degrees?

Mr Francis—I said if you are going to go to that extent, then that is what should happen.

Mr PYNE—Do you think TAFE should offer degrees?

Mr Francis—Yes, I think that TAFE could offer degrees. I see no reason why not.

Mr PYNE—What do you think that a degree connotes? If you have a degree, what do you think it actually suggests about the person who holds the degree?

Mr Francis—It indicates the academic level that the person has achieved.

Mr PYNE—Do you think part of that academic level is learning for learning's sake, or do you think it is only training for education or skills?

Mr Francis—I think it is both and I think that is what a TAFE institute is dealing with at the moment. It has got people who basically want to learn hands-on skills and it has also got another group of people who want to learn academic studies. They probably wanted to go to university in the first instance anyway.

Mr PYNE—Why didn't they go to university? Because of the lack of places? Is that what you are saying?

Mr Francis—Because they could not get in.

Mr PYNE—Why couldn't they get in?

Mr Francis—Because they did not get the TER.

Mr PYNE—You do not see universities as being a different realm of education where it is learning for learning's sake and therefore—

Mr Francis—You are putting words in my mouth saying that is why I see them as learning for learning's sake. I see them as a different realm certainly, yes.

Mr PYNE—If TAFEs offer degrees and universities offer degrees, then what is the difference?

Mr Francis—Just that some people might prefer to complete their full studies at a TAFE institute as opposed to going across to a university. TAFEs could offer the degrees and they would fall flat on their face. That could be true.

Mr BARRESI—So TAFE becomes a one-stop shop for those students?

Mr Francis—For some people, yes, I agree.

CHAIR—I think I represented Mr Pyne correctly when he was not here earlier. I asked a question I

thought you might have asked, were you here. It was very much like the one you did. I suppose in a sense the market is sorting it out at the moment in that young people—usually young—will go and do their university degree, which educates them basically, and then they will focus down for training with a TAFE course.

Mr Francis—One of the differences is that we might have 2½ thousand full-time students, and they are mainly post-secondary. We have also got another 20,000 part-time students and they are mainly people who are in age brackets from 25 to 50 returning to study for a variety of reasons.

Mr MAREK—I think there is a concern, particularly from people who have gone to the trouble of going to university, who have got the highest TER scores at school, who have done their best, who have gone to university, who have got an honours degree in psychology; somebody else might have dropped out of school, did not study very much, had poor numeracy and literacy skills, have gone through TAFE and then got a degree in psychology. Here are these two degrees. Does this water this one down? Can you see the problem?

Mr Francis—I can see your point. Whether that argument is valid, in terms of using psychology, but if we use engineering—

Mr MAREK—Yes, fine, let's use engineering.

Mr Francis—which is a good one, we offer an advanced diploma of engineering. How close to a degree do you have to get to get a degree?

Mr MAREK—The difference might be that—

Mr Francis—They are both at the same AQF level.

Mr MAREK—Yes, I will challenge this. If you have gone through school, you have been an honours student, then you have gone through university and you have been to what you considered to be the best university, so that when you walked away with that piece of paper, you would say, 'Now, that should be able to get me a job'—

Mr Francis—And it should, shouldn't it? Shouldn't the workplace differentiate? Shouldn't they look at you and say, 'You're a Melbourne University engineering graduate. You're the one I want.' 'You're a Barton University graduate. Sorry, I much prefer the Melbourne University graduate.' That might be true.

Mr MAREK—Then you have got the other student who went in and did a degree in engineering at the TAFE—

Mr Francis—The argument holds true for universities. What is the difference between a Deakin degree and a Melbourne University degree?

Mr MAREK—I am just asking a question, that's all.

Mr Francis—I am trying to give you the answer. I think the marketplace will dictate that. It could well

be that even if the TAFEs offered degrees—and they might offer them, they might find there are no takers for that very reason. Why get a degree from a TAFE when you can get a degree from a university, and that will count better.

Mr BARRESI—Let me just pursue this line a bit more, following on from Mr Pyne. The students themselves may want to have a one-stop shop in education but what is the motivation of the TAFE itself to offer degrees? Where is your motivation in that?

Mr Francis—One is to satisfy the customer. That is No. 1. The other one is, it is a funding issue. It is clearly a funding issue.

Mr BARRESI—But yet we are hearing, from submission after submission—I think you even say it as well—that the TAFE institutes want commercial independence in their funding, which means your ability to go out there and chase the dollar from industry.

Mr Francis—Correct.

Mr BARRESI—So why, in that case, if you have got that independence, do you need to offer degrees?

Mr Francis—Offering degrees—I keep on coming back to it—might be something that we offer and it might fail. If you are asking where our primary focus is, our primary focus is not trying to get TAFEs to offer degrees.

Mr BARRESI—Okay.

Mr Francis—Our primary focus is on meeting the needs of our clients, most of whom would love a degree but realise that they cannot get one—certainly they cannot get one through a TAFE at the moment—but are more concerned to be getting a certificate for because that links to the award payment.

Mr MAREK—This is what I was trying to say before. Wouldn't it water down a degree? But, as you have already said, there is a line in the sand anyhow, isn't there?

Mr Francis—Yes, that is right.

Mr MAREK—It is regulated.

Mr Francis—It does not mean that TAFEs could not offer degrees. It just means that in the end, if you let there be open slather, you might end up in the same situation you have got now because market forces will drive it that way, rather than have the line drawn in the sand.

CHAIR—I certainly understand where you are coming from but from our perspective also we have responsibility to society which rises above and beyond the needs of the market itself and you could train a dental assistant to do things that dentists do, for example. That may not serve the fiduciary obligations of society, but it might satisfy a market need. A veterinary attendant could be taught to treat conjunctivitis in cats

in probably two weeks so why should someone do five years of a veterinary degree—it is extreme stuff. We have to, as regulators in one sense, say, 'Look, we've got to let the market loose here but maybe there are certain boundaries that ought to be set.'

Mr Francis—If the line in the sand stays there is going to be no complaint from Barton Institute of TAFE.

CHAIR—I can see you are going to be at the forefront of things though, very impressive.

Mr PYNE—The purpose of this inquiry is to investigate the roles of TAFEs and their overlap with universities. Taken to its logical conclusion, if we adopted your stance with respect to the market working out which degree is more useful than another degree, there would be absolutely no point in having any differentiation between universities and TAFEs and TAFEs should just compete with universities for degrees. The role of government is to say that there are levels of institutions and TAFEs have a particular role in training people for tasks and various skills in various areas, and universities have a role in not being necessarily a vocational education and training institution but a centre of excellence and learning for the benefit of society in the future.

If we take your attitude to the tertiary education sector then we would just say, 'Do whatever you like. It's open slather,' and the institution will determine the benefit of their degree or not. I do not think that we are in the business of undermining the usefulness of universities by saying they should just compete, for the usefulness of their degrees, with graduates.

Mr SAWFORD—Nor are we in the business of undermining TAFEs.

Mr PYNE—No, not at all. We are in the business of building two very strong sectors: a university sector which caters for learning and excellence in the community in terms of helping society to keep up and change with the changing times and a TAFE sector which trains people in the skills they need to get jobs in the areas for which TAFEs are responsible. Both sectors have to be very strong and quite separate but Mr Francis's testimony suggests that, in fact, there needs to be no differentiation but the market will sort out the usefulness of the degree.

Mr SAWFORD—He is not saying that at all.

Mr Francis—Can I defend myself by saying that you came in at the tail end of a whole lot of conversation, some of which was leading into exploring what would happen if the line were removed. I never advocated that the line be removed. I kept on saying, 'If the line were removed, then you would have that state of free play with the marketplace probably driving the thing.' I was not advocating that sort of line should be removed.

Mr PYNE—But your written submission advocates that—

Mr Francis—Articulation arrangements.

Mr PYNE—TAFEs should be able to offer degrees.

Mr Francis—Yes, in conjunction with universities, absolutely.

Mr PYNE—The offering of degrees is absolutely fundamental to the point of universities and TAFEs. If you have a degree level course at a TAFE, it undermines the purposes of universities.

Mr Francis—No, that is your assumption.

Mr PYNE—That is my belief, yes.

Mr Francis—That is fine.

Mr SAWFORD—Just to put a balance on it, I will say it does not.

Mr BARRESI—In your scenario, would the degree actually be issued by Barton or, because of the partnership arrangement, the degree is actually issued by Monash or Deakin?

Mr Francis—That is part of the licensing agreement that has to be negotiated and, most likely, it would be through the university as opposed to the TAFE institute.

CHAIR—Thank you very much. As you can see, our inquiry is touching on this bigger question that the West and society are grappling with, and that is does education serve a purely utilitarian view? Is it all about vocational education and training or does it also serve a sense of building people and language, arts, history—all that sort of thing? As you can see, we will have a very interesting time writing the report.

[3.40 p.m.]

NICHOLLS, Mrs Elizabeth Patricia, Director/Chief Executive Officer, Central Gippsland Institute of TAFE, Cnr Princes Way and Monash Drive, Morwell, Victoria, 3840

CHAIR—Mrs Nicholls, if you would not mind, just for the purposes of Hansard, introducing yourself and then giving us a five-minute precis of your submission, and then we will talk about it.

Mrs Nicholls—Certainly. I am Elizabeth Nicholls, known as Paddy. I am the director and CEO of Central Gippsland Institute of TAFE, and I have been at that TAFE for the last seven months. Prior to that I was the director at the Gold Coast Institute of TAFE, so I have had some experience in two systems.

The submission that we put in for Central Gippsland Institute of TAFE looks at firstly the types of training that we provide within the institute, the client groups that we are meeting, and I think it is useful for me to just expand a little on that for you, and give you a little history of Central Gippsland. The institute was formed in 1926 to support the SEC training for the mining and power industries in Gippsland, so it has had a very strong and long trade background, and since the privatisation of the industry over the last four or five years, the profile of the institute has changed, to the extent that the level of trade training that is required has reduced significantly. However, we are still providing a good range of trade training.

So we have provision for people who have completed year 12 or have finished school and are moving into training. We also educate a large number of people who are looking at moving into employment for the first time, so whether they may be women who are returning to work, people who have been long-term unemployed—and we have a high unemployment level in Gippsland—we have a lot of people who are going to be entering the work force for the first time. We also do an amount of retraining for those moving from one area of training to another, or those who are currently in employment and wishing to progress further in their career paths, and then we also train for corporate enterprises, and we do that usually on a commercial fee-for-service basis. So we have a wide range of student groups or clients, customers, that we are providing services for.

We also have, I believe, a role to play in supporting the social and economic development of the region, particularly, as I said, when the Gippsland region has gone through a significant amount of change over the last few years. The institute has a very strong leadership role to play in that area, and we have developed an international reputation in the areas of mining, power and transport, and we are moving into telecommunications. Nationally and across the state we are recognised for our hospitality and some of our retail training as well, which is fairly innovative.

Just recently the parent owners of Loy Yang Power were visiting Gippsland, and I had quite a decent time with those people, and presented a submission to them to look at retraining the significant skill base that currently exists within the Gippsland area but is currently unable to access employment. There is a huge need in the Gippsland area for us to be able to look at the literacy and numeracy needs and the enhanced technology skill based needs of the long-term unemployed in the region.

As well as that, we are also providing training in the social services areas because, of course, with a

community going through the sorts of pressures that they have had, there has been a very quick development of community service support areas for Gippsland, and so we are seeing a need for us to produce a lot more community development workers for the area, in child care, and there is also quite a large role for us in nursing, so we have diversified very much from the original narrow trade base that we had. We are one of the largest employers in the region, so that we contribute significantly to the infrastructure of that community.

I see that there are some significant benefits through the provision of VET in TAFE. I think that TAFE has very close links to the work force. We work very closely with the work force, and I have found it interesting that one of the aspects that Monash University is working with us on is the development of links with industry to be able to provide a full range of services to corporate clients. They felt that they did not have strong enough links with industry to be able to do that on their own. They needed our support to get into the industry areas. So I think that is saying quite clearly that TAFE does have those links. I believe that certainly in our region the industry in the community see us as providers of practical skills based training. We are seen as being the doers, and certainly we are enhancing people's thinking abilities as we go along, but primarily they are interested in people who can do when they go into the work force.

Of course, we are definitely able to show and demonstrate that we have very good employment outcomes for our graduates. The latest reports that have come through the student graduation destination survey that has just been released showed quite clearly that Central Gippsland Institute of TAFE fared better than both the Victorian and Australian average in our employment rates, so we are doing very well in an area where there is high unemployment. I believe also that a lot of the communities see TAFE as being able to provide the skills and training that they are looking for at a cheaper rate than universities. Our fees are different. Whether that is good or bad is something that could be debated.

I went on in my submission to talk about the differences between TAFE and universities, and I guess the major emphasis there is that once again I stress the practical skills that come through from a TAFE, whereas at the universities you are looking more at a theoretical base. Also we conduct a lot more of our training on a variety of sites, including in industry, so that makes us a little different from the universities, and also gives us a particular flavour and a different role. I do believe that each sector is unique. I think the universities have their place in society, and I believe that TAFE has its place in society, and I do believe that we can really optimise those two roles by the types of relationships that we have between the two sectors.

Currently the Central Gippsland Institute of TAFE has very strong relationships with Monash University. We have a memorandum of understanding. We currently have two dual awards, accounting and tourism, so graduates from our programs can go straight into the Monash programs with maximum recognition and move through very quickly to their degrees, so they come out with a statement from us, or an award from us, and also one from the university, which is very useful when they are marketing themselves in the workplace.

We are currently looking at extending that into engineering, art and nursing, and we are working very closely with Monash University in mapping the curriculum between the two organisations to maximise the benefits for the students. I am a firm supporter of the concept that one sees in the community colleges in the states where you have the two-year degree that links in with the universities, so that the student can actually do a four-year qualification in two different locations and come out with a qualification at the end. I do not

believe it is watered down, and I will give you some reasons for that later, if you like. One of the most important things for both TAFE and universities is for us, being the two organisations, to be able to identify where there are strategic benefits from our being able to work together, and those benefits need to be for the organisations, but primarily for the students who are our customers, to ensure that they get the best possible outcomes.

I have a couple of other little facts and figures which I did not have at the time I put the submission together, but I think they may be of interest to you. The average age of our student at Central Gippsland is 33, which is quite a mature age, and, interestingly, 55 per cent of our students are female. We have 32 per cent of our graduates who go on to further study. The majority of those are in TAFE. Only about 20 per cent of that 32 per cent go on to university. We have 753 students currently enrolled in the institute who have come to us after completing their university degree, so that is saying something about the benefits of the skills that we teach in our areas. We have quite a large number of students who have got prior qualifications coming into our system.

CHAIR—Thanks very much. I used to think 33 was quite a mature age. In terms of funding, some people have said to us we should have a single funding source. We had a person today tell us—in fact the union, I think, representing the staff—that the Commonwealth ought to fund the whole thing. Is there an ideal funding model that you think would suit the needs of the customers?

Mrs Nicholls—I think it is difficult to say that there would be an ideal funding model. I think the important issue is the levels of funding that are allocated for particular areas, and to make sure that they are adequate for us to be able to provide the training that is required for our people. I am not as concerned as some may be as to who actually puts their hand in their pocket and funds us. I believe what is most important is the amounts.

CHAIR—And the student fees: we were told earlier on that concessions are offered to students with health care cards.

Mrs Nicholls—Yes, and it is a massive problem, particularly for me. Over 50 per cent of my students currently are eligible for fee exemptions, which usually equates somewhere between $300,000 to $500,000 that I am subsidising within my budget.

Mr SAWFORD—From where?

Mrs Nicholls—From where? From other areas of my organisation. It is a hole that I have to fill.

Mr SAWFORD—So it is a cost subsidy?

Mrs Nicholls—Yes.

CHAIR—Can we just run through this. Who dictates that a concession must be made available? Who decides how much of a concession will be offered? As Rod just said, basically you are having to subsidise it yourself out of other resources.

Mrs Nicholls—That is right.

CHAIR—Even with the concession, is that still a significant deterrent for young—I suppose they are predominantly young, but not always—

Mrs Nicholls—Yes. Not always. In our region, as I said, 50 per cent of the students are eligible because we have very high unemployment rates. It is a state government policy that there will be these concessions, and the concessions are set in accordance with our fees, and it is something that we do not have any control on.

CHAIR—So if you have got up to half a million dollars a year in concessions of fees, what is your total budget?

Mrs Nicholls—This year we are looking at a budget of around $20 million, so it is a significant element, but it really depends from year to year. As I say, it is somewhere between usually $300,000 to $500,000 that we are looking for, and it is an issue that I think is a significant one for TAFEs, particularly those in regional areas where we are battling uphill anyway, because the funding model is not designed to deal with the issues that we deal with.

CHAIR—Most of us would accept the need for some sort of concession for someone—and Mr Marek was asking earlier on about if you were 30 and you were unemployed and you have not had a job for three years and so on. We might disagree about whether there should be some fee or not, but would there not be an argument, particularly for that group, for some sort of deferred payment on the rest of it, like a HECS sort of thing?

Mrs Nicholls—Yes, there certainly would be, and we do offer students loans. A number of our students are eligible to apply for student loans, which is another, I suppose, difficulty that we then have to face because we carry the brunt of those loans that are not met.

Mr MAREK—The loan is the total amount of the whole course, isn't it? It could be for three or four years.

Mrs Nicholls—It could be. Normally there is a requirement that they pay a certain amount up front. They need to be able to pay something to get into the course.

CHAIR—They could pay a deposit and then they have got a loan.

Mrs Nicholls—Yes, and there are instalments and plans there, but that is something that we, as the institute, once again carry and we tend to limit it because the risk to the institute is fairly significant. Whilst I agree with you that there are cases where there should be exemptions granted or things made easier for people, it is important that the relevant government authorities actually recognise that, and do not expect the organisation to carry that as well as their other responsibilities for delivery.

CHAIR—Yes, I agree.

Mr BARRESI—Do all TAFEs do this?

Mrs Nicholls—Yes, they do, but to varying degrees. Some of my colleagues in the metropolitan area only have five per cent of their students facing a fee exemption, or being eligible for a fee exemption. It is usually in areas of high unemployment that you find a much higher level.

CHAIR—The inquiry secretary, Mr Rees, was just reminding me that the institutions who have to carry this most heavily are the ones who probably least can afford to, and are probably dealing with, in one sense, some of the most difficult problems.

Mrs Nicholls—Yes.

CHAIR—It would make sense for us to look at perhaps recommending some sort of deferred payment scheme, at the very least, for concessional students. I guess it would make sense for it to be administered by the same people who administer the HECS program.

Mrs Nicholls—Yes. I do not think there would be too many problems from a lot of people in relation to that. Some of our students may find it still difficult to deal with the concept of a HECS payment, because when they finally get into employment usually it is quite a number of years before they are up to the ceiling that enables them to start repaying their debt. So it may be a lot longer than you would see with universities.

CHAIR—Of course, and it is a lesser sum of money if we assume the fees as they currently are.

Mr SAWFORD—I want to elicit some further information, basically on your submission and your introductory comments, but can you see a HECS fee discouraging some of your catchment students?

Mrs Nicholls—It may well, but I suppose it would depend on whether the fees were changed as well at the same time. Really, one of the positive selling points for TAFE institutes at the moment is that our fee structure is less than the universities. That is why a lot of the year 12 graduates who do not get into university come through TAFE, because they can then access university after they have completed a two-year diploma. It has actually been a cheaper way of getting their qualification. But I do think a HECS is feasible.

Mr SAWFORD—You mention in your submission that your institution has a multiplier effect of three in the local community. Have you got any evidence or any data to support that statement?

Mrs Nicholls—We have got some information which we have put together with Monash University.

Mr SAWFORD—Can you forward that to the committee?

Mrs Nicholls—Yes, certainly.

Mr SAWFORD—The other statement you made was that you estimated the cost of a TAFE student at a third of that of a higher education student. How did you come to that figure?

Mrs Nicholls—We were looking primarily at the fee rates that we were charging, not necessarily the cost to us.

Mr SAWFORD—So it is the fee rate, not the cost.

Mrs Nicholls—Yes.

Mr SAWFORD—Thank you. Another one, just in terms of clarification: you said in tourism and accounting you have an arrangement with Monash.

Mrs Nicholls—That is right, yes.

Mr SAWFORD—What does the tourism thing lead to at Monash?

Mrs Nicholls—The tourism currently leads into an arts degree, but we are currently negotiating for it to lead into a business degree. Initially we were able to negotiate in a more accommodating way with the arts faculty than the business faculty, but that is changing.

Mr SAWFORD—Does that have anything to do with the lack of demand of their numbers? Do not answer that question; it was rude.

Mrs Nicholls—No, actually, the numbers are fairly high in Gippsland.

Mr SAWFORD—In arts?

Mrs Nicholls—Yes.

Mr SAWFORD—In Monash?

Mrs Nicholls—Yes.

Mr SAWFORD—Have not fallen?

Mrs Nicholls—Monash Gippsland is maintaining its numbers fairly well at the moment. It tends to drag an awful lot of the students from the region, but it also has—

Mr SAWFORD—In the arts faculty?

Mrs Nicholls—In all of the faculties.

Mr SAWFORD—It is not being specific, no.

Mrs Nicholls—No, I cannot give you specifics for the arts faculty.

Mr SAWFORD—You mentioned employment outcomes at graduation, and you did a destination survey.

Mrs Nicholls—Yes, that is a national one.

Mr SAWFORD—What was your percentage?

Mrs Nicholls—Our percentage was 74 per cent of graduates were employed.

Mr SAWFORD—Did you do a further one with the 26 that were not employed in that particular period of time?

Mrs Nicholls—No. We have not. This was in May 1997, of our graduates, and we have not done a follow-up survey at this stage.

Mr SAWFORD—I know it is not always simple, but what is your view of the desirability of having a follow up?

Mrs Nicholls—I think it could certainly provide us with some interesting and useful information. There are probably some more aspects that we need to look at to actually see whether the course that the person studied was relevant to the particular field they are now employed in, because sometimes they do not actually move into the relevant field.

Mr SAWFORD—You mentioned the age of your students; what is the age of your staff?

Mrs Nicholls—We have an ageing staff, like me.

Mr BARRESI—Just to follow on, how many of the 74 per cent of students who go on to employment would actually find employment within the region itself?

Mrs Nicholls—I have not got those statistics in front of me.

Mr BARRESI—So you are training people for the broader state.

Mrs Nicholls—We are, but it would depend on the area. For example, we do have some students that are undertaking fashion studies. There is a very small fashion industry in Gippsland, so most of those people come through to Melbourne for employment. We also have, in hospitality, a number of our graduates who have been able to obtain work at the casino and various other hotels in this region.

Mr BARRESI—Therefore your courses are not necessarily based on specific regional needs.

Mrs Nicholls—No. The majority of them are.

CHAIR—Just for your information the Monash education unit told us this morning the average FTE

cost in higher education was $11,000 and I think it was $7,400 in VET TAFEs.

Mr PYNE—Mrs Nicholls, you mentioned energy. What are the other industries that the east Gippsland economy is based around?

Mrs Nicholls—This is central Gippsland I am speaking of.

Mr PYNE—Tell me about central Gippsland then.

Mrs Nicholls—Central Gippsland has the Australian paper mill, which is another large body there. We have a significant dairying and farming population as well. There is a small amount of retail. There is quite a lot of small businesses, engineering firms—those sorts of things that are there to support the mining industries.

Mr PYNE—So mining, energy, dairy and paper mills, things like that.

Mrs Nicholls—Yes. Some forestry, but forestry is more east Gippsland, but the processing for the paper mill is in central Gippsland.

Mr PYNE—So your TAFE designs its courses around what the local economy requires in terms of skills and education.

Mrs Nicholls—We certainly look at building our profile around what the needs are of the industries that we are servicing, yes.

Mr PYNE—If there was a university in central Gippsland—

Mrs Nicholls—There is.

Mr PYNE—What is it called?

Mrs Nicholls—It is the Gippsland campus of Monash University.

Mr PYNE—So there is a campus of Monash University, but if there was a discrete university like Monash or Melbourne or Adelaide or Sydney, it would not really suit the central Gippsland area in terms of providing the skills required, or would it provide the necessary skills and vocational education and training that would be required for the industries that you have described for the central Gippsland area?

Mrs Nicholls—You would probably find that Monash University would be the reverse, or a university would be the reverse, of what I have described about central Gippsland Institute of TAFE. We have primarily courses that are focused on our community's needs, with a small amount of generalist areas where people move out of the region. I believe the university, and the Gippsland campus, which has been there for many years, has a tendency to go for the traditional areas primarily, with a smaller number of specialist programs designed for the industries.

Mr PYNE—So therefore would you say that TAFE is providing a specific role in the central Gippsland area in terms of skills and vocational education and training?

Mrs Nicholls—Definitely.

Mr PYNE—You would support, would you, the very clear differentiation between universities and TAFEs, given your own circumstances in central Gippsland?

Mrs Nicholls—Yes. I have made that fairly clear, I hope, through the presentation I have made already; I do see that they are two distinct types of bodies, but I do see that there are ways that we can work together satisfactorily to get some very good outcomes for our particular students.

Mr PYNE—I am supporting TAFE's role in your area very strongly. Would you say that there are horses for courses with respect to the roles of universities and the roles of TAFEs, particularly in a regional area like central Gippsland?

Mrs Nicholls—Yes, I would say so. I would say, if I took myself back to my Gold Coast days, the same would have applied there, and that was a much larger area and almost a suburb of Brisbane.

Mr PYNE—Would a person who did, say, a liberal arts degree at a university be particularly useful in terms of the central Gippsland industries that you have described as being the backbone of the economy in central Gippsland?

Mrs Nicholls—I would say they probably would not be. I would think that most of the graduates would have to go outside of the region to get their employment.

Mr BARRESI—Some of the graduates currently are going outside of the region.

Mrs Nicholls—Some of our graduates are. The majority are not; some of them are.

CHAIR—When you have finished answering Mr Marek's questions, would you mind, in concluding, just giving us your impressions of the contrasts between the Gold Coast and this—you know the two states. It would be interesting.

Mr MAREK—Just on the end of the HECS debate that we were having a little while ago, with the student loans, do many of the students get away without making any repayments at all, and you have to wear that as well?

Mrs Nicholls—We do have a percentage, yes.

Mr MAREK—Yes. You would have to be responsible for issuing the loan and then recovering it.

Mrs Nicholls—That is right.

Mr MAREK—And sometimes you would not get the money back.

Mrs Nicholls—That is right. We have to use debt collectors and we have to write off a number of bad debts.

Mr MAREK—How much do you think that would cost you on a yearly basis?

Mrs Nicholls—I cannot give you a specific figure at this stage for central Gippsland.

Mr MAREK—It would be interesting to know.

Mrs Nicholls—I could give you an idea of what it was at the Gold Coast, which was probably in the vicinity of $12,000 a year.

Mr MAREK—Is that all?

Mrs Nicholls—Yes.

Mr MAREK—How much would a normal student cost?

Mrs Nicholls—Their fees?

Mr MAREK—Yes, how much would be one student's fees?

Mrs Nicholls—It depends. It is an interesting way that the fees are charged because they are based on module hours and calculated out. The maximum fee is around $600.

Mr MAREK—That might be for a yearly course or a four-yearly course. For a yearly course?

Mrs Nicholls—Yes.

Mr BARRESI—Mrs Nicholls, you have got two metropolitan campuses, at Chadstone and Carrum Downs. A previous witness was from Barton Institute. That institute very much covers that area of Chadstone and Carrum Downs.

Mrs Nicholls—Yes.

Mr BARRESI—Is there going to be a problem there in terms of being able to service that sector and why do you still have campuses there?

Mrs Nicholls—The campuses that we have there are specific training arms. We bought the old SEC Linesman Training School, which was located at Chadstone.

Mr BARRESI—I see.

Mrs Nicholls—At Carrum Downs we run our national driver education training centre.

Mr BARRESI—So they are not full campuses.

Mrs Nicholls—No.

Mr BARRESI—They are very industry specific.

Mrs Nicholls—Very industry specific.

CHAIR—Could you just tell us a bit about your impressions—you have gone from one state to another, both TAFEs—of strengths, weaknesses and so on. Obviously we are interested in any kind of uniformity in trying to apply good things across the country.

Mrs Nicholls—I think one of the things that is interesting when you look at the different states, and it has been brought home to me because of my movement, is that the issues that the TAFE systems are facing in both states are very much the same; they are about opening up the markets, competition, customers, being market driven, those sorts of things. But the way that the different systems—and I am talking about the state systems—have addressed those issues are very different.

CHAIR—Were they comparable socioeconomic areas, by the way?

Mrs Nicholls—No, the Gold Coast had a much greater number of affluent people and the Gold Coast also has a very large educational sector. It was one of the largest businesses on the Gold Coast, whereas at Central Gippsland you have a very different type of socioeconomic group. At the Gold Coast I was looking at wanting to move to full fee paying products for some of our students, and I think at the Gold Coast it would have been a very viable proposition. But where I am currently—

CHAIR—Sorry to interrupt you, but you said you were wanting to. I gather you were not allowed to.

Mrs Nicholls—That is right.

CHAIR—Who prevented that? The board or the council?

Mrs Nicholls—No, the state government. Unless we could produce a course that was not on the national register and would not then be really well recognised across the states, we were not able to charge full fees. But it was an issue that we were pursuing very strongly.

CHAIR—TAFEs that are draining relatively affluent areas could charge full fees.

Mrs Nicholls—They certainly could.

CHAIR—And they could actually cross-subsidise TAFEs in areas like Gippsland that are having to

write off a lot of money.

Mrs Nicholls—I doubt that you would get other TAFE institutes being prepared to cross-subsidise Central Gippsland.

CHAIR—No, but there could be a funding formula. I have some TAFEs in my electorate—which is one of the most affluent, if not the most affluent in the country. You could have a funding formula where there were essentially more full fee paying students there who received less of a state government subsidy.

Mrs Nicholls—Yes.

CHAIR—And in Gippsland and areas like that that are servicing low-income areas, they could receive more.

Mrs Nicholls—Yes, that certainly could be a way of doing it. There are already weighting formulas that are used in both states. For example, in Queensland I know the funding that they got at Mount Isa institute was considerably greater for particular courses than we got at the Gold Coast because it was more costly to deliver there. Currently in Victoria that does not apply. It is the same formula that gives us the same money as the metropolitan areas.

Mr SAWFORD—Paddy, what are you doing in schools in your area?

Mrs Nicholls—We are working fairly closely with the schools in trying to bring about dual recognition, but we have an interesting dilemma there in that the group training companies in the region are offering dual recognition programs free of charge within the schools, which is great for the schools but it means that we are limited in what we can do. In some ways, I think that it is difficult for us because, when we go into other areas that the group training companies do not cover, the schools are looking for us to provide things for nothing as the group training company.

Mr SAWFORD—In what areas is group training operating in your area?

Mrs Nicholls—Mainly in the engineering and the trades areas. They have been a very significant competitor to us and we lost a significant amount of our trade training through to the group training company.

Mr BARRESI—Just on that, would the trade training option be attractive to you because of the competition you are getting from group training companies?

Mrs Nicholls—Yes.

Mr SAWFORD—I think the Australian Business Chamber made a suggestion that TAFEs could be considering offering that. In other words, if a young fellow or a young girl not indentured to an employer wants to be a particular tradesperson—a plumber, engineer or whatever—and wants that to be offered, what is your answer to that?

Mrs Nicholls—Yes, we certainly would agree that it would be a very solid option for us to be able, for want of a better word, to employ trainees or apprentices so we can ensure they are training, because at the moment there is very little choice for apprentices and trainees. They can either try and get employment through a company or they can get employment through a group training scheme, but there is no competition to a group training scheme. TAFEs are not able to compete in that area, and we see that as a definite disadvantage for us. We have employers in the Gippsland area who we are virtually doing the same things as a group training scheme without actually employing the apprentices to meet their needs because they do not want to go through the group training company, but there is no other choice.

Mr SAWFORD—But group training Australia-wide generally has a very positive response in the community; it is very highly regarded.

Mrs Nicholls—They do very, very well. However, we are saying all the time that people need choice and the choice is not there.

Mr BARRESI—Isn't there a danger, if you do go down this track, that you are trying to be all things to all people? You are reaching—and I should not use this term—the trade-level individual and at the same time you are also trying, as other witnesses have said, to reach to the degree-level students as well. Therefore, your resources and your focus is going to be very much spread across a wide range of possible students.

Mrs Nicholls—It could well be spread across a wide range. It is already spread across a wide range.

Mr BARRESI—You become master of none.

Mrs Nicholls—No, I do not believe that we would become master of none. I think what we see though is that in the future TAFE will become the managers of learning and the providers of skilled personnel for the work force. Whether that skilled personnel is employed by Gippsland Group Training, Australian Paper or through a TAFE institute is really irrelevant. What is important is that we can provide the training. We are already doing a hell of a lot of the work that perhaps group training companies do without actually employing the people.

CHAIR—I think Mr Barresi meant that we would be reaching up to trade-level personnel and down to university trained. But thank you very much. If there is anything else that you subsequently feel that you would like to add or anything like that, please do not hesitate to send it on to us.

[4.23 p.m.]

ROBERTSON, Mr Ian James, Research Coordinator, Box Hill Institute of TAFE, PO Bag 2014, Box Hill, Victoria 3128

STEWART, Ms Patricia Ann, Manager, Planning, Research and Curriculum, Box Hill Institute of TAFE, 495 Elgar Road, Box Hill, Victoria 3128

CHAIR—Do you have any comments you would like to make on the capacity in which you appear?

Mr Robertson—I am currently in a couple of roles that may be relevant. I am a research officer at Box Hill Institute. I am also the staff representative on the institute council. Further to that, I am currently working as a research fellow three days a week, on secondment from Box Hill Institute, at the University of Melbourne, working on a research project which is a comprehensive review of vocational education and training policy and law.

Until the results of the Ramler review, Box Hill Institute of TAFE was one of the largest TAFE institutes in the state. It is now one of the smallest as it was left untouched by the review. It offers a wide range of courses and it would see itself as a generalist TAFE institute rather than being a centre of excellence for any one thing in particular. It has a number of campuses—mainly campuses within the eastern suburbs of Melbourne and up into the Yarra Valley, but also campuses overseas and some interstate.

We have a number of relationships with various tertiary institutions in terms of memorandums of understanding and so on, and we are one of the partners in the University of Melbourne-TAFE collaboration. Currently, we are the curriculum maintenance manager for the areas of engineering, automotive and electrical studies in Victoria.

In terms of talking to our fairly short submission, which you would have read, I would like to make a couple of points. The institute would perceive that TAFE and higher education are distinct and important sectors and that there are important areas of overlap but probably these should not be the main target of our core activities. They are important and absolutely essential. They are not peripheral but they are a small part of our activity rather than being absolutely central to day-to-day concerns. That opinion is based essentially on a perception of some differences between the two sectors.

In terms of the mission, we would see Box Hill Institute of TAFE primarily having the mission, as we would see it, of preparing people for the world of work through vocational study and vocational outcomes. We would see the institution partly, as was expressed earlier, as a second chance for some people: a second chance for people who have not achieved well at secondary school, but also a second chance for people who are coming from other higher education courses and who are looking for further vocational studies in order to get into the workplace and, finally, as preparation for university. That is one part of what we do.

That mission is demonstrated by all of the surveys that are done into why people come to TAFE colleges. The vast majority will say that they come to TAFE colleges either to get a job, to get another job, or to make their way through the workplace where they are working by getting another job within the workplace.

They also come for personal satisfaction, but also to do their job better.

In terms of staffing, there are some differences between the two areas. Essentially, TAFE staff are people who have come from industry. That does not mean that they have not had the benefit of a higher education experience, and it certainly does not mean that most of those people will take advantage of a higher education experience at some stage during their lives; whereas the university staff are, by and large, academic staff. That does not mean they have not worked in industry necessarily, but there is a difference in emphasis in terms of the way they would perceive their roles.

In terms of the sorts of students that we see, I have already mentioned why students come to TAFE. It tends to be work based; whereas students who go to the higher education sector go there for an academic and social experience to a great degree, but also to do courses that have vocational outcomes. It is pretty easy to argue, in one way or another, that the higher education sector is also a vocational education sector of its own, but it is not the same as what we would know as TAFE.

There are some differences in terms of staff in terms of the sorts of awards they work under. There are some significant issues to do with the way people get on in the sectors. As we all know, people get on primarily, in the academic sector, by engaging in academic and scholarly pursuits, which has not, to a great degree, been the emphasis in the vocational sector. Therefore, we see some dangers in amalgamations, or forced amalgamations, between TAFE and higher education. Primarily, that revolves around the issue of dilution of purpose.

Our preferred model is an alliance model, where Box Hill Institute can continue the sorts of activities it has engaged in to date, forming alliances with various universities, depending on the needs of the customers in our local community, to the benefit of them, and to the mutual benefit of the institutions involved.

We would perceive, from where we stand, that in the examples of dual-sector institutions in Victoria—and I am speaking particularly of RMIT and Swinburne—our feedback is that people who work in the TAFE sector of those dual-sector universities are clearly disadvantaged, and they feel, to a great degree, that their programs are also disadvantaged, for one reason or another.

All that has to be seen within the Victorian context, which is quite clearly different from the New South Wales context, in particular, which has a highly centralised system. I am sure that you are aware, but I believe it is worth mentioning in the opening remarks, that Victoria essentially has a fairly devolved system with institutes trying to work autonomously within a set of regulations which are dictated by OTFE, and tend to be fairly aggressive in terms of trying to create commercial activities.

In terms of overlap, I would like to mention now—and in the submission we have mentioned this—the possibility of vocational degrees, and I am happy to address that now, or leave it until someone actually asks a question about that, should that occur.

CHAIR—Fire away.

Mr Robertson—In the first place, in the preceding comments I have stated quite clearly the institute's

position that these are quite distinct sectors. If I put on my educationalist's hat for a second and step outside the TAFE role and speak from a slightly more personal view than an institute view, the university sector to a great degree has an emphasis on liberal education. It has an emphasis which prepares people with a range of skills that maybe the TAFE sector does not—not, at least, in its charter.

I am not suggesting for a moment, however, that the TAFE sector does not help people develop critical thinking skills, or does not help people to develop skills which are useful outside of, or certainly within, their vocation, but also in a more liberal sense. However, there is a difference in focus. Currently, in Victoria, TAFE institutes are able to offer qualifications up to advanced diploma. They are not allowed to go any further in the Australian Standards framework model.

There is a small dilemma for TAFE colleges in that universities are not restricted, in the sense that they can come right down to certificate 1 and 2, if they chose to do so, which I am sure they will not. However, there are already examples where the higher education sector has come down to certificate 4 level in terms of offering train-the-trainer courses, workplace training and assessor. This is, I believe, quite an unequal and very difficult situation for a TAFE sector which is trying to compete.

The concept that we are proposing is a very broad concept within the proposal. It is that some consideration should be given to the TAFE sector being able to offer vocational degrees. These are degrees which would meet the requirements of the Australian Standards framework at the appropriate level, would be industry driven, recognising that the higher education sector has different accreditation and curriculum models to those in the TAFE sector, and that these would be different in their emphasis. They would be vocational. They would go through an accreditation system through the Australian Standards framework level, and so therefore would be seen as distinct from the sorts of bachelor degrees that one would get from the higher ed sector. I think that is as far as it has been developed, but I am happy to try to address it further, if you would like.

Mr MAREK—We heard a witness earlier today say that basically TAFE did not have a lot of vision. I would like to hear your response to that. Also, do you have a changing curriculum to cater for tomorrow's jobs, rather than just living in today's and yesterday's jobs? Because, as we say, the jobs in 20 or 30 years will be different from those today. Are you catering for future technologies?

Mr Robertson—I would like to respond briefly, and then leave it to Pat. I am not sure whether the response that TAFE has a lack of vision is a reflection on the person who said it, or a reflection on the TAFE sector particularly.

Mr MAREK—That is a good answer.

Mr Robertson—I do not believe that that is the case, no.

Mr MAREK—I think it was coming from the fact that they were not looking forward, they were just working in the past and present, and they were not looking forward to tomorrow.

Mr Robertson—Yes. In terms of the way I believe the institute would see that comment, our institute sees itself as a business operation and, without a vision, our business operation will not survive. That is not

why we are there. We are there to meet the needs of customers and the general community, and to meet the needs of the state and the community that it represents. Our aim is not to be here in 12 months time; our aim is to be a centre of excellence for the provision of vocational education and training in the year 2020, or whenever you would like to go to. I think that comment is silly. Certainly, from the point of view of the sorts of documents that are currently coming out of the Office of Training and Further Education in terms of looking to the future and the sorts of research projects that are currently going on, I think that is ridiculous.

Mr MAREK—And you have a changing curriculum?

Mr Robertson—In terms of changing curriculum, there is an issue there. If I can speak personally, rather than from an institute point of view, there is an issue to do with the way in which curriculum is developed in the TAFE sector, in that it is industry driven. The question then comes back to the point: does industry have a vision of the sorts of training that it would like for the future? To lay the blame squarely on TAFE's head in terms of 'Is TAFE providing training for the future?' is not the question that should be asked, because our curriculum has to be developed from competencies which are developed by industry, and providers are not represented on those—

Mr MAREK—Does TAFE change quickly enough?

Mr Robertson—Absolutely. TAFE can change very quickly, and does.

Mr MAREK—I will give you a quick example. I had a panel-beating and spray-painting shop for nine years, and we used to use Dulon acrylics. Then Dulon suddenly brought out 2K and Cobra products, which is a new baked enamel-type product, a baking-on product. When I sent my apprentices away to TAFE, they would come back and they were still learning about old acrylics. TAFE was not teaching the new technology. That was a Queensland thing. I do not know if that is everywhere.

Mr Robertson—You would find the same criticisms, I suspect, in Victoria. The group training providers, the private providers, would squarely say that TAFE does not react quickly enough in that regard.

CHAIR—I must say, it was in that context that the comment was made about TAFE having a lack of vision. We were told by, I think, Professor Beanland from RMIT, that they were training for things today and things of the past and that TAFEs—and I think he included his own institution—had not focused enough on the future.

Mr Robertson—I believe that that is a systemic problem. It is a system problem; it is not a TAFE problem. TAFE is essentially the public provider in the VET system, and TAFE is part of the problem, but to lay the blame on TAFE squarely is quite unfair.

CHAIR—Sure. You stopped mid-sentence, and you were about to say something which I think was quite significant. You said, 'The problem is that employers or industry is not represented'—on something.

Mr Robertson—Yes, the industry competency standards are developed in industry by industry. That is the way the system works. TAFE's curriculum is designed, and has to be designed, to meet the outcomes

which are described in the industry competencies. If our curriculum meets the demands of the industry competencies, and our curriculum is not visionary enough, then the problem is with the industry competencies, and my personal view is that that is the case. If one looks through the academic literature, if one looks at academic writing about this sort of stuff, then that is squarely a criticism they make of the sort of process from which curriculum is developed in the vocational sector.

CHAIR—Of course, we speak of vision from a very strong position. You know that.

Mr MAREK—Thank you, Brendan. Thank you very much, everybody.

Ms Stewart—I would add, in relation to a question asked earlier with respect to developing curricula and meeting needs at the cutting edge, that you have to have some money to be able to do that. You were talking before about having some money that people could access to the leading edges, in terms of having to have people who are skilled in that particular area—and often they are in industry—and having the money to actually develop the curriculum and do all the sorts of things to get into that leading edge technology at the time. There is a bit of a problem there.

CHAIR—The way you are currently funded, I get the impression that it is sufficiently inflexible to actually stop you doing what some cutting-edge type of industries might want you to be doing.

Mr SAWFORD—I just wanted to explore with you, Ian, the link between research and funding. It appears to me that in education in Australia—and in fact in all English-speaking countries—that the universities have always benefited greatly by having the research facility within their institution, whereas when you try and find what is often quite simple data about TAFE not so much at senior secondary school, but certainly junior secondary school, and most certainly any other level, at primary and junior primary school, it is almost nonsense stuff that exists.

I would like you to comment on that link, because one of the prime reasons for universities in their charter is research, whereas it has not been in TAFE, and yet it seems to me that TAFE have been disadvantaged, like other sectors of education, because of not having a credible research sector that has assisted them in their submissions to levels of government in order to secure funding. Would you like to comment on that, please?

Mr Robertson—That is absolutely correct, and it is symptomatic of where the TAFE sector has come from. It has grown from a trade based organisation. That is not to demean the way in which it has come. There has certainly, however, since about 1992-93, been a growing research base on vocational education and training in TAFE. A lot of that has been, if you like, TAFE under the microscope from higher education, which is an issue that some of us feel we need to deal with. But research in the formal sense, as it would be recognised by the universities, has not been a central focus of our work.

If I speak from a teacher's point of view, we are not given time release to do it. In actual fact it is quite probable that there is a significant amount of informal, semi-formal research that goes on in TAFE colleges around the place. No-one gets paid to write it up. It is not seen as part of what you do. It is not necessary to get on in the job, and so the research base is pretty thin, absolutely. But it is certainly growing,

and there are examples like the University of Technology, Sydney, which has probably made quite a difference there.

Mr SAWFORD—In your institution, in terms of the research area, are you largely doing analysis rather than research?

Mr Robertson—The research that we do falls into probably two or three different areas. There is market research that we do for the institutes, which goes without saying. We also have a research budget which is relatively small, but we have a research budget of $20,000, which is given to staff within the institute to undertake research which will essentially benefit the institute in one way or another.

Mr SAWFORD—So that is available to all staff?

Mr Robertson—It is available to absolutely all staff on a submissions basis, so we are funding four or five research projects a year. We have been doing that for three years. What we are trying to do with that as an individual institute is to develop a research culture, because it has been missing. In actual fact within our institute there are lots of people doing postgraduate qualifications at graduate diploma, masters and PhD levels. However, I cannot tell you today—I am going to find out this year—how many of our staff are actually undertaking those sorts of postgraduate qualifications; how many of them are producing documents which would tell us about what TAFE is about in terms of research. Our suspicion is that there is actually quite a lot out there, and we are just not tapping it. It is not databased anywhere.

Mr SAWFORD—Twenty thousand dollars is a very small sum of money.

Mr Robertson—Yes.

Mr SAWFORD—It would seem to me that you would not do any longitudinal studies at all which universities—

Mr Robertson—We are doing longitudinal studies in terms of the budget that we would normally run outside the $20,000—customer satisfaction, graduate destinations, those sorts of things.

Mr SAWFORD—I do not want to be pedantic, but that is basically analysis.

Mr Robertson—It is analysis, yes, rather than pure research. Yes, you are absolutely right.

Mr SAWFORD—One final comment, because I have had too much of the time. To what degree has TAFE been disadvantaged in its seeking of funding from government in particular by its lack of research base?

Mr Robertson—How much has it been disadvantaged in terms of getting research money?

Mr SAWFORD—No, funding in general.

Mr Robertson—In terms of getting funding?

Mr SAWFORD—Yes. Has it disadvantaged TAFEs in their submissions for funding?

Mr Robertson—For program delivery?

Mr SAWFORD—For anything. Universities have a very distinct base, and they are a very powerful institution within this nation. My contention is that one of the reasons they are so very powerful is their research base, which they are able to draw upon—in other words, to feed themselves—whereas other sectors of education do not have that. I do not want a long answer, just a comment. If you have not got a comment, that is fine.

Ms Stewart—I do not think we have the infrastructure there to assist us like the universities. In terms of accessing those funds, we just do not have the history or the infrastructure there to attract those funds, although we have been successful in some, competing against universities for some funds.

Mr SAWFORD—It is another question altogether in terms of the research funding that is available to universities.

Mr Robertson—I would suspect that within our core business of delivering vocational courses, the lack of a research base probably has not inhibited us greatly.

Mr SAWFORD—Has not?

Mr Robertson—Has not, I suspect—in Victoria.

Ms Stewart—In most of the areas we are not competing against universities for the funds anyway, and so we are competing against private providers or TAFE, so they are in the same situation.

CHAIR—In the end they are in the business of knowledge and ideas and you are in the business of training people.

Mr SAWFORD—But you are competing in the education sector, make no mistake.

Mr Robertson—There has got to be at the margin a disadvantage, but in terms of core business, I suspect it probably—

Mr BARRESI—But you have the ability to be able to generate revenue from alternate sources more so than universities have. One of the previous witnesses mentioned that 47 per cent of their budget is from Commonwealth funds, and therefore they are out there getting that 53 per cent. I would have thought because of your close relationship with industry that you have that ability, more so than universities do. It may be hard work in getting it.

Ms Stewart—The ability to generate funds?

Mr BARRESI—Yes, to source alternate revenues.

Ms Stewart—We do, and we do a very good job of that.

Mr Robertson—We do a good job.

Ms Stewart—We are talking about 56 per cent.

Mr BARRESI—I would say Andrew Jackson does a great job.

Ms Stewart—Yes.

Mr Robertson—I would dispute though that the universities cannot do it.

Mr SAWFORD—By having an endowment advantage, whereas TAFEs do not.

Mr Robertson—I leave that to the universities to respond, but I am not sure of the universities—

Mr BARRESI—Can I ask a question of you, Ian. You made the point in your verbal and your written submissions about the model of forced amalgamation with universities and the disadvantage of doing that, and you refer to Swinburne and RMIT being disadvantaged at the staff level. Your dot points here seem to refer more to the human resources disadvantage. However, one of the previous submissions today actually said that RMIT and Swinburne have not suffered because of their current structure of being an institute as well as a TAFE. I think they were referring more to the issue of having that credibility in the marketplace, and that it has not been diminished in the eyes of the public by being both. You are referring more to the actual internal operations.

Mr Robertson—The internal operations, yes; the operational issues of what happens.

Mr BARRESI—What is your view about the other comment from the previous witness that amalgamation really does not put the institution at any disadvantage?

Ms Stewart—I guess you would have to say, 'What disadvantage?' You are talking about different facets. You are talking about the efficiency, you are talking about the effects in terms of the clients. Are you talking about the effect in terms of staff, whether or not they are demoralised so that they do not have the initiative to do other things that they might if they were not in that sort of environment? Are you talking about the flexibility of students perhaps to go on from university—I know you do not like the word 'seamlessly', but to go on to a degree course or whatever? So there is a whole facet of stuff there.

Mr BARRESI—Yes, but really, have Swinburne and RMIT suffered because of it?

Mr Robertson—Has Swinburne TAFE suffered with the amalgamation?

Mr BARRESI—Yes.

Ms Stewart—Yes.

Mr Robertson—Is that the question?

Mr BARRESI—Yes.

Mr Robertson—As an outsider looking in, anecdotal evidence, conversations with people who work within those systems, suggests that they are—

Ms Stewart—They are dominated.

Mr Robertson—They perceive that they are dominated, that they are disadvantaged. They would have to speak on their own behalf, and basically the submission is just echoing what we as a non-dual sector institute hear from people whom we work with on various activities within the TAFE sector. They perceive that they are disadvantaged. That is what they are telling us. That is what individual conversations tell us.

Mr BARRESI—I was not here for the RMIT evidence. Was that covered at all, that particular relationship?

CHAIR—No, I do not think so.

Mr Robertson—Quite obviously if I was a manager at Swinburne or RMIT I would be saying that everything was rosy. You know, it depends where you stand, doesn't it? We are looking out as observers from outside, and to put it bluntly, as people who do not want to be swallowed up by a university and do not see any advantage, for all sorts of reasons.

Mr BARRESI—Wasn't Box Hill listed to be part of the Swinburne merger with the eastern TAFEs?

Ms Stewart—In one of the models, but right from the start we have—

Mr BARRESI—So you fought that one off?

Mr Robertson—I do not think it was ever fought off, to be honest. I think that would be incorrect.

Ms Stewart—I do not think it was a really serious contender. We are a successful organisation; we are generating funds. I think that we were seen as being a viable size to go on, and why muck around with something that is working?

Mr PYNE—Mr Robertson, early in your submission you said that your vision for TAFEs was that they would be institutions for the provisions of excellence in vocational education and training into the 21st century.

Mr Robertson—Yes.

Mr PYNE—So given that is the case, why would you also contend that it was a good thing for TAFEs to be developing a research culture, and for TAFEs to be developing vocational degrees, when the essence of degrees are that they are non-vocational and that research has been and will continue to be the province of universities, because TAFEs are offering vocational education and training? Doesn't your contention that

research and vocational degrees undermine the whole purpose of TAFEs, and how would you describe the difference between a university and a TAFE, if TAFEs want to pursue research and vocational degrees?

Mr Robertson—I think we have got to look at what paradigm we are talking about, and the problem with this discussion tends to be that when we talk about research we tend to talk a paradigm that we understand within the higher ed sector, which comes with all of the mores of that sector. The thing about developing a research culture within the vocational sector is that it is important, whilst taking note of what happens in the higher ed research sector, that if VET research is to be credible it has its own ground. You are absolutely correct is what I am saying. There is no point in trying to duplicate what the higher ed sector already does.

However, there are a set of rules that go with higher ed research, and I am not sure that those rules and obligations that go with higher ed research are appropriate to the VET sector. I think that is an issue that needs to be explored, and I do not have the answer, except that it seems ridiculous to me that we have got a sector which is significant in its budget, is significant in terms of the number of people who are trained, and yet the research base for vocational education and training is quite small. In relation to what research base does exist—and it is a credible form of research—the major source of research into TAFE is the university sector looking at TAFE under the microscope.

That is important and it should not be discouraged, but there has got to be another window to look in through, and that does not exist, so what I am suggesting is that there are other windows for research other than the higher ed model. In terms of offering degrees, I think if that concept is to work—and it is purely a concept—then one has to look at not trying to duplicate what the higher ed sector does. I would dispute the fact that higher ed does not prepare people for work, because that is quite plainly ridiculous. I am a veterinary surgeon by profession. That was what I did. It is a vocational course. It could well have been a trade. Pharmacy degrees grew out of trade school, and we can look at engineering.

I think to try and draw that black and white distinction is actually quite incorrect. If the concept of vocational degrees is to exist, then I think what we are trying to suggest is that we need to look at a vocational sector which actually goes beyond that advanced diploma level, that looks at a level above that where one can look at their vocation within the broader context of the community at large—changes in the community such as globalisation and so on, the implications for their vocation, how it is that they can make their workplace work better with the vocational knowledge that goes with the sort of trade. 'Trade' is the wrong word, but if I can use that in a very generic sense, I mean the vocational knowledge that they come with with their trade. It is grounded in a skill based occupation whilst looking at the broader issues to do with, if you like, general education. The general education part has not been a focus. It is embedded, but it is not a high focus of the vocational education sector.

Now, I do not believe for a minute that the higher ed sector actually supplies that, so what I am suggesting is that there needs to be some new ground cut out, and that this is not competition: this is about creating ground. Maybe there is a commercial reality here, too, because the universities are not shy about commercial work, although they are not being very good at getting a lot of it. Certainly one can see very quickly that from a commercial point of view, if the TAFE colleges do not have an opportunity to cut out some ground for themselves, from a disadvantaged position to the higher ed sector, for research in vocational

education and the development of vocational degrees, this will be taken over by the higher ed sector. In a sense there is a commercial element there, too, but if you do not let the VET sector do it, then you will only ever see this issue from one window, the higher ed window, and I suspect that is not good for anyone.

CHAIR—I suppose what really needs to happen is that the research base is probably an industry as much as anything, or at least it ought to be, and that, in both public and private, we make third world commitments in this country toward research and development. Perhaps it is collaborative research models based in TAFE with the industry sector that your research base is all about; I suppose it is basically researching the most effective way to train and educate people much more than necessarily researching knowledge as such.

Ms Stewart—The ANTA research grant that we got was work based learning—factors affecting work based learning—and we did that with Melbourne uni, too.

CHAIR—It just seems that the industries who perhaps in the end are the customers should be putting some of their own resources into a research base for TAFEs. I know at Macquarie uni, which is just outside of my electorate, there is a lot of collaborative stuff going on with industry. And we have got technology parks popping up around the country. Perhaps the government ought to be playing a role in getting TAFEs a piece of that action before the universities get too much of it.

Mr SAWFORD—Can I ask two bleeding obvious questions. Firstly, are you doing any current research on the links between TAFEs and universities, or have you done in the past?

Mr Robertson—No, not in a formal sense. However, I do understand that there is currently a research project which is looking at models of collaboration, and you may well be aware of that—models of collaboration between TAFEs and universities. Off the top of my head, I understand it is going on. I can find out who is doing it.

Mr SAWFORD—Could you find out and get back to James?

Ms Stewart—Yes.

Mr Robertson—Yes.

CHAIR—We had the guys from the education unit at Monash here this morning, who went through everything that was going on, and I think they said that there was not much.

Ms Stewart—I think it is a Melbourne University one that has been funded for that.

CHAIR—Yes. As Mr Sawford says, if you can get anything, let us have it.

Mr SAWFORD—And the second one is this. In this debate about TAFEs having degrees and universities—all in a word—my question might sound stupid, but I do not think it is stupid. Is it in TAFEs' interests that, instead of pursuing the degree word, you pursue another word, which is perhaps more in terms

of the next century and in the sense of some technological or—I do not know what the word is. I cannot think of the word, but with our beautiful English language, I am sure there are other words that are equally as important, can equally be described, but are different, that mean degree. I have not got a thesaurus in front of me, but I am sure there are. Is that part of the thing? Sometimes we find out differences between different groups over such little things, when in fact they are different. Why don't we call them different things?

Mr Robertson—Yes, and I think partly what we would be concerned about as an institute is that at the end of the day our students are competitive in the marketplace for work, and that they can sell their skills. At the end of the day it is very difficult, depending on the industry, but if you ask someone what is more valuable, a bachelor degree or an advanced diploma, you can guarantee what the answer is going to be nine times out of 10, except in very specific industries where they have a track record of knowing people from a particular institute—you know, for someone who is leaving and looking for a job. So to a degree, that is actually I think what we are concerned about. It is not so much about being able to say we are offering bachelor degrees. It is about servicing the needs of our clients to make sure that they are able to compete out there in the marketplace.

The second aspect is concern. I think the Higher Education Act actually just simply prohibits us from offering degrees, but does nothing to prohibit the universities from offering anything they like. They are already doing so in terms of, if you like, treading on our turf—without being entirely protectionist—by offering certificates for workplace trainer and assessor. They are not shy about doing that, so there is nothing to stop them offering diplomas and associate diplomas. That might be good for the marketplace. I am not sure whether that is good for the students.

Mr SAWFORD—Is this not also true in relation to the quality of the institution, for example. I know of a very high profile personnel manager in South Australia of an international firm. They almost deliberately employ from one particular TAFE. It is offered in a different set-up at university, because that particular institution does what they want, and they have had a better record with those rather than having graduates. So when the student comes along with a Box Hill Institute graduation certificate, whatever it is called, in the marketplace that is highly valued, and it may in fact be more highly valued, or just under or whatever, compared to a degree in a similar sort of field. Isn't that really what people—

Mr Robertson—And there are other examples, for instance, in a diploma of laboratory technology, animal technology, laboratory stuff like that. Certainly in Victoria the graduates with diplomas will get a job in advance of someone who has got a bachelor degree, because they can actually do the job. So I suspect that this is a small issue rather than the central issue.

Ms Stewart—I think there is another strand to that, too—being a part-time student for 23 years. I think it is also recognition for the student with the work that the students have done. That is another thing that you have to look at. If they have done the work to a certain level or a certain degree, they should be able to get recognition for it, whether it is in a TAFE or a university or whatever.

Mr SAWFORD—Because in the end the students are going to vote with their feet.

CHAIR—Thank you very much for that. It was very interesting, and again if you think of something

else, and there are a couple of things there Mr Sawford has asked if you could provide us with, please send it on, and I am sure you will be looking out for our report, as we will.

Mr Robertson—Thank you very much.

Ms Stewart—Thank you.

Resolved (on motion by **Mr Pyne**, seconded by **Mr Sawford**):

That this committee authorises publication, including publication on the parliamentary database, of the proof transcript of the evidence given before it at public hearing this day.

Resolved (on motion by **Mr Sawford**, seconded by **Mr Pyne**):

That this committee receive as evidence and authorise publication of the submission received from the Australian Education Union for the inquiry into the roles of TAFE.

Committee adjourned at 5.05 p.m.